



Housing Downturn & Recovery: Homeownership Trends in Maryland

January, 2015



TRE THE REINVESTMENT FUND
Capital at the point of impact.

Data, technical assistance and advice was provided by:

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Maryland Department of Housing and Community Development

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Neighborhood Stabilization & Homeownership Work Group
Chair, Honorable Stephen Lafferty, Delegate

Objective of the NSHO Workgroup (Excerpted)

Neighborhood Stabilization & Homeownership Workgroup PROPOSED WORK PLAN *as of July 24, 2014*

Overview:

As requested by the Honorable Michael E. Busch, Speaker of The Maryland House of Delegates, in a letter dated March 19, 2014 to Mr. Jon Laria, Esq., Chair of the Sustainable Growth Commission, the Neighborhood Stabilization & Homeownership (NSHO) Workgroup has been formed for the purposes and related objectives described below.

Workgroup Purpose: To study the impact of the financial crisis on historically owner-occupied neighborhoods and to identify resources and strategies and recommendations to *preserve the stability of historically owner-occupied neighborhoods and promote homeownership in these neighborhoods.*

The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

We achieve our mission through:

Capital

- Grants, loans and equity investments

Knowledge

- Information and policy analysis; PolicyMap & Policy Solutions

Innovation

- Products, markets and strategic partnerships

Data Sources / Geography

Population, Housing Units, Families, Households, Tenure and Geography

U.S. Census, 2000

U.S. Census, 2010

Home Sale Prices

State of Maryland, Department of Assessment and Taxation

Home Mortgages (Originations, Loan Amounts, Applicant Income, Loan Types)

Home Mortgage Disclosure Act (HMDA) Database

Mortgage Foreclosures (Notices of Intent to Foreclose)

State of Maryland, Department of Housing and Community Development

Bureau of Labor Statistics (CPI adjustment)

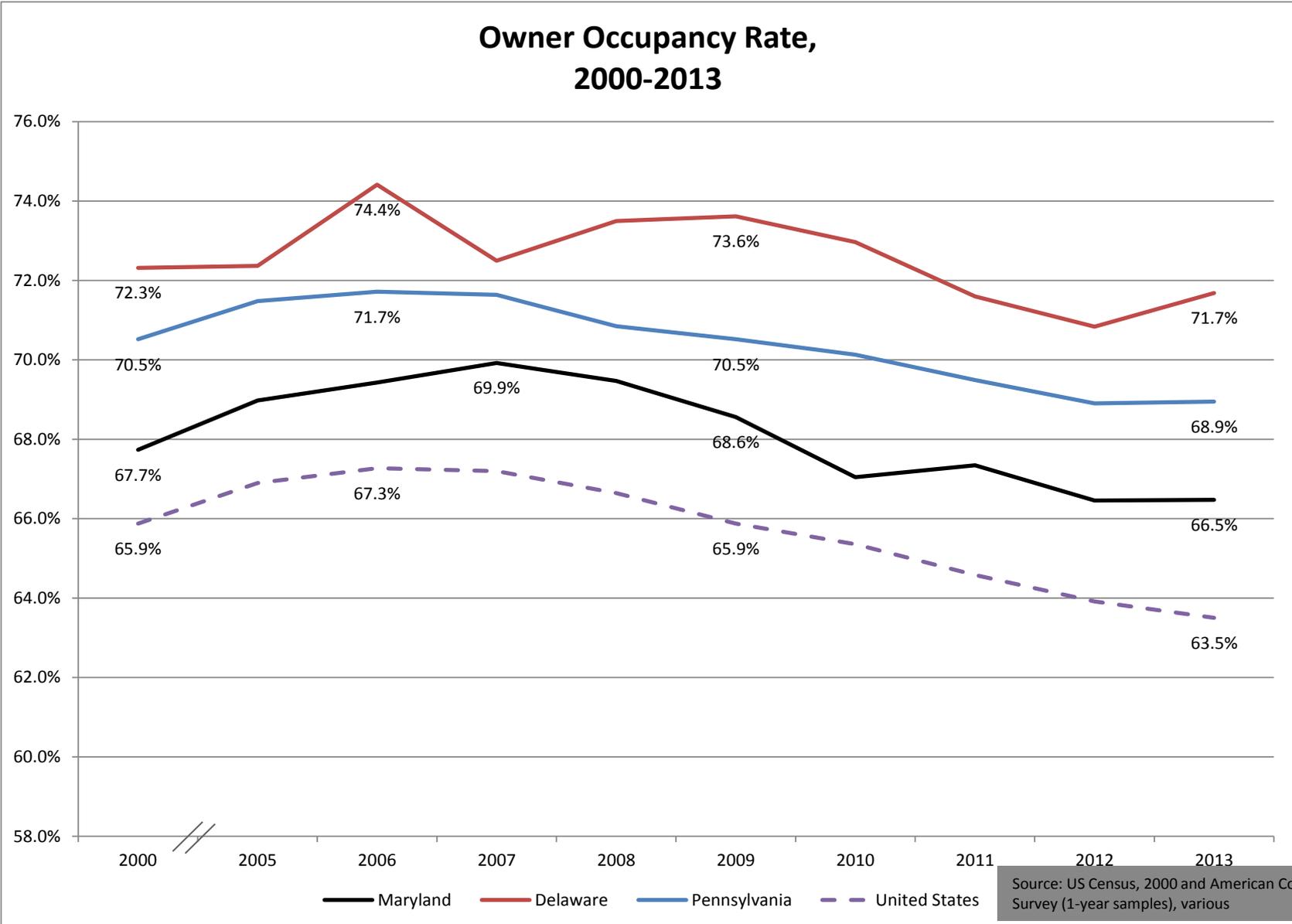
Basic geography for this analysis is the set of boundaries established for the Census, 2010. Census data from the 2000 Census were recast into 2010 boundaries. Please note that there will always be errors in recasting data aggregated to one year's census into another.

All point-level data were geocoded initially to the 2010 Census boundaries.

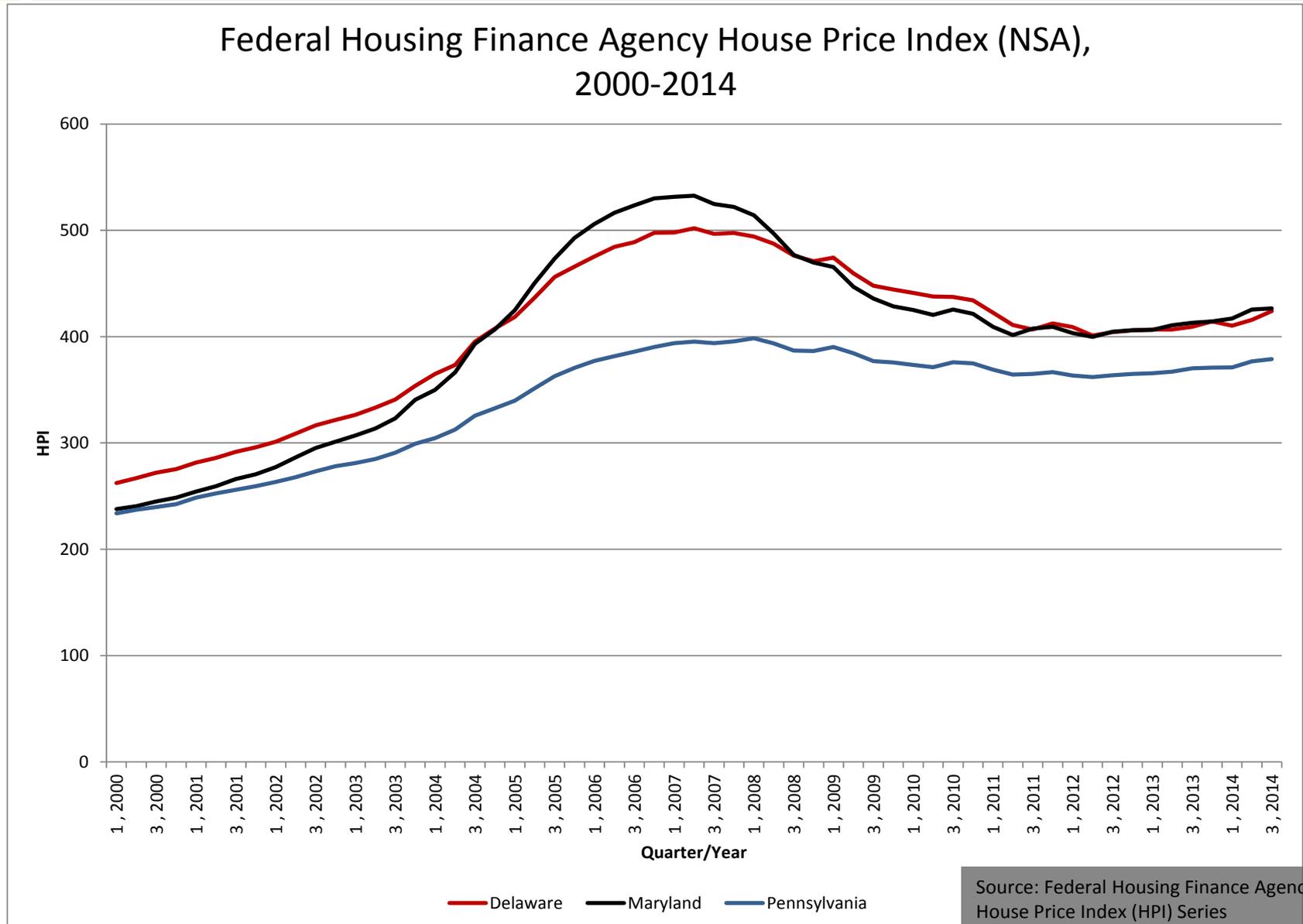
Please note that not all pieces of data were available for all Census tracts. Accordingly, there will be minor differences – from figure-to-figure – that are a result of that “missing data” issue.

State of Maryland:
Context of Tenure, Home Sale Price,
Mortgage Interest Rates and
Mortgage Delinquency/Foreclosure

Owner Occupancy Rate, 2000-2013

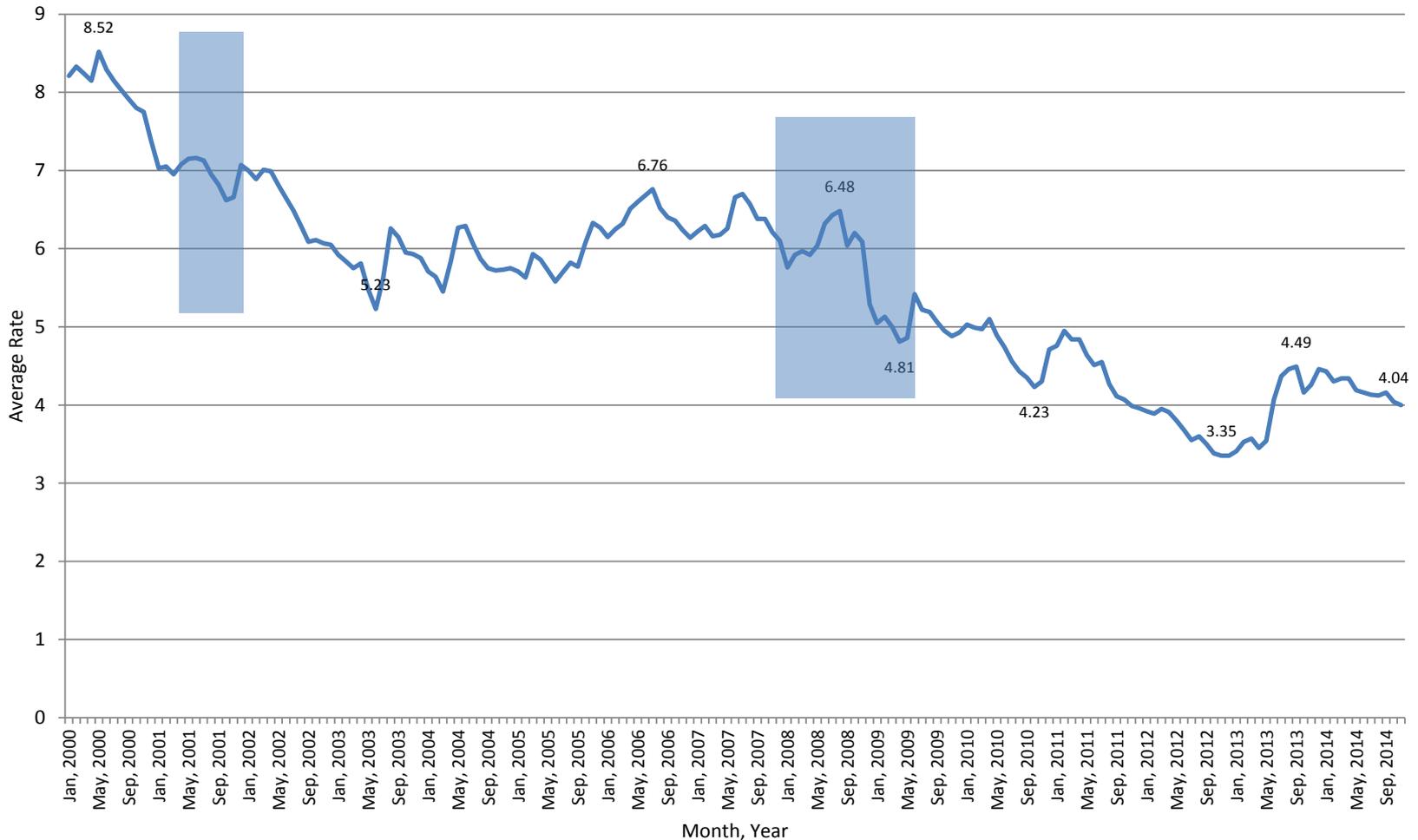


House Price Index, 2000-2014



Monthly Mortgage Interest Rates, 2000-2014

Monthly Average Commitment Rate on 30-Year Fixed-Rate Mortgages

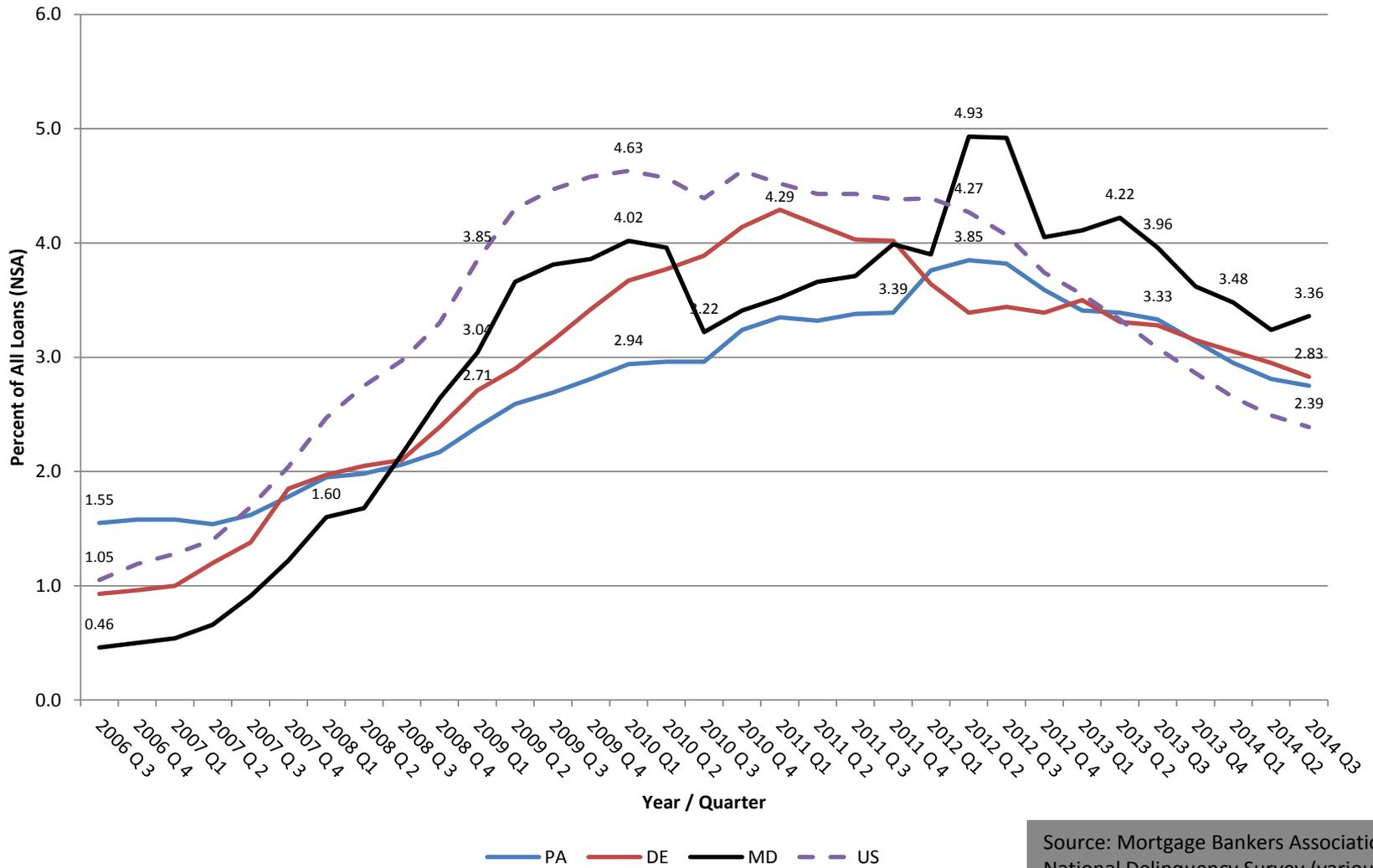


— Avg Comm Rate, 30-Yr Fixed

Source: Federal Housing Finance Agency,
Monthly Interest Rate Survey

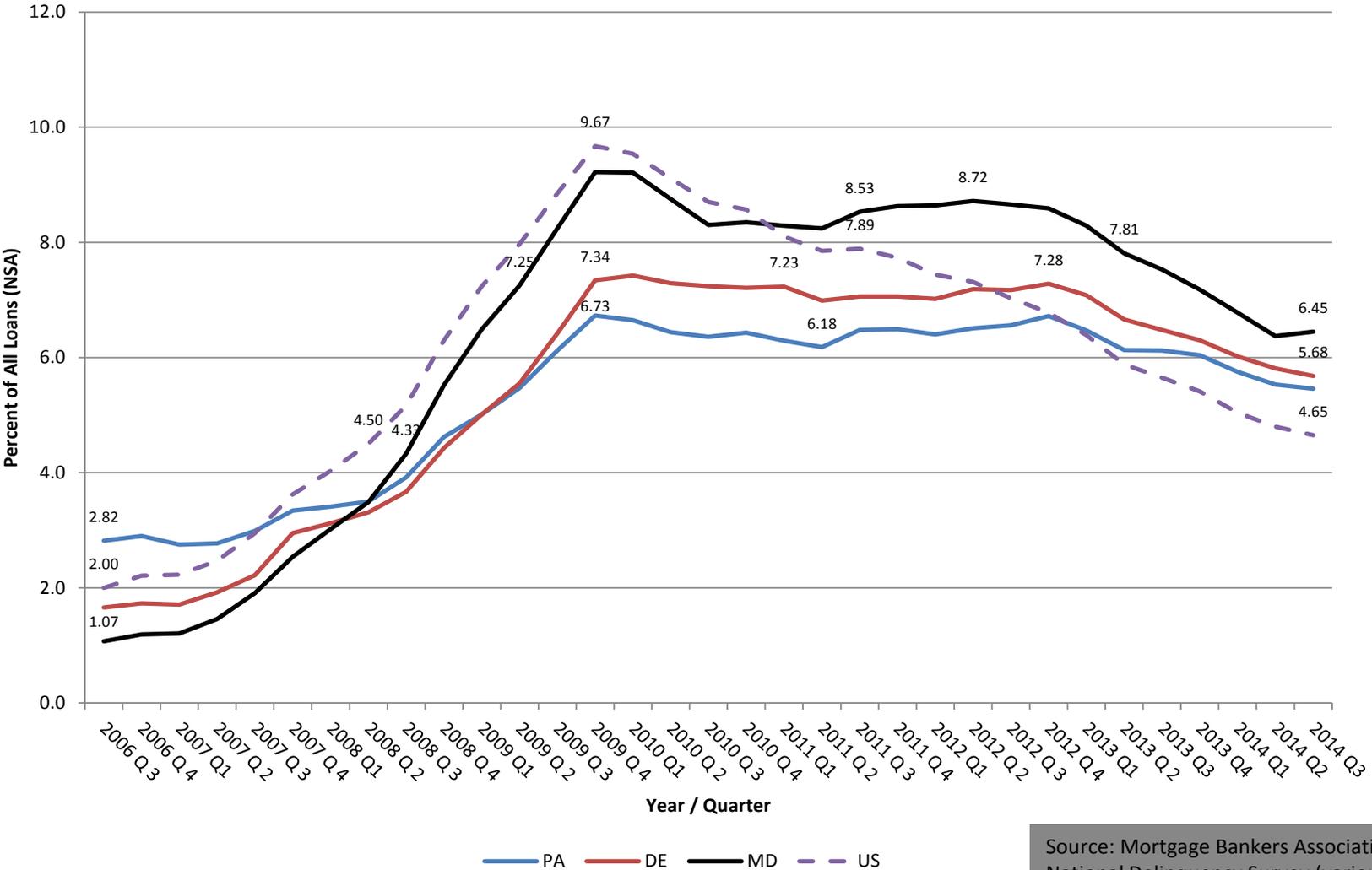
Mortgage Foreclosure Rates, 2006-2014

Inventory of Loans in Foreclosure by Quarter, 2006 (Q3) - 2014 (Q3)



Serious Delinquency Rates, 2006-2014

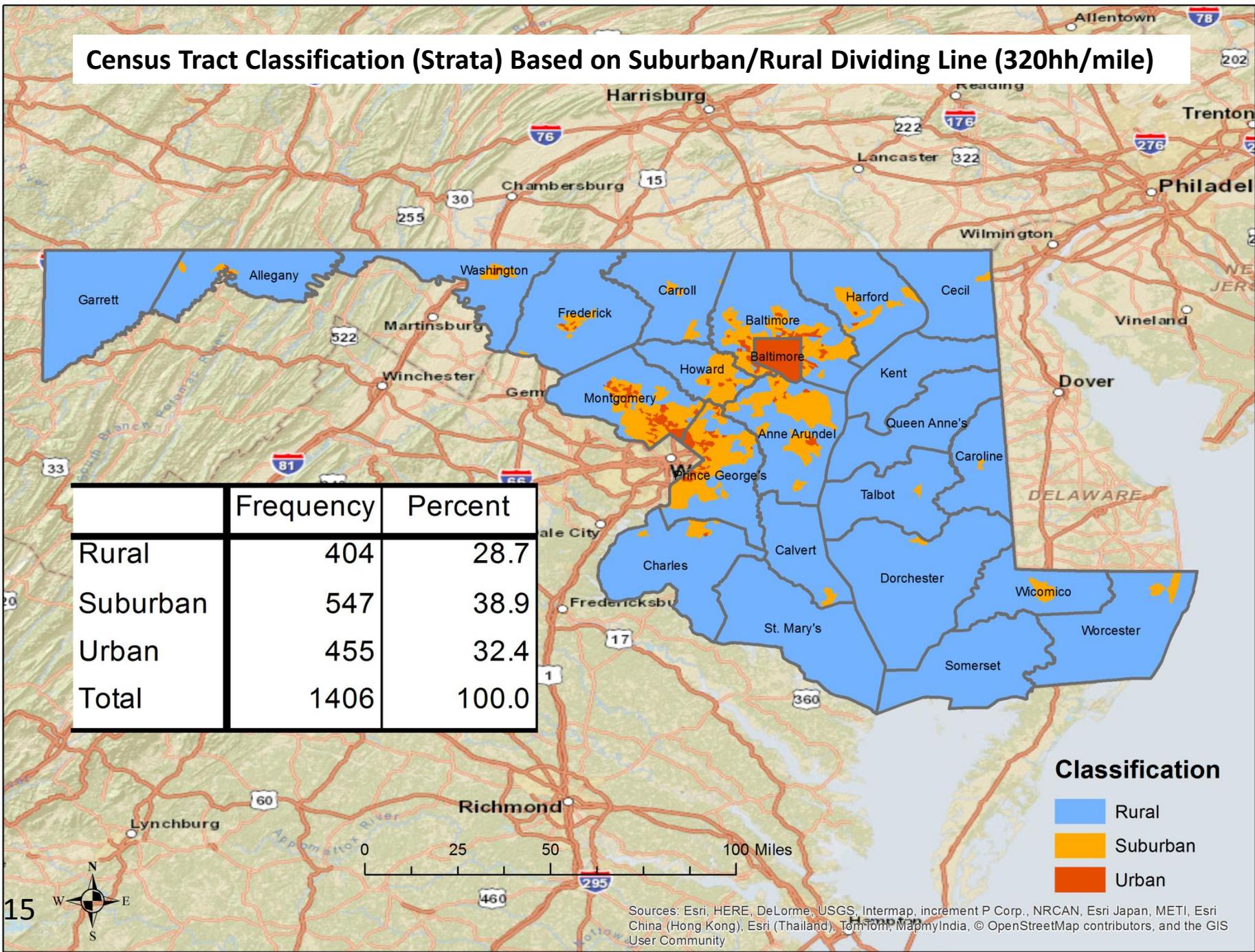
**Percent of Loans in a Seriously Delinquent Status
(90+ Days Delinquent + Foreclosure Inventory), 2006 (Q3) - 2014 (Q3)**



Source: Mortgage Bankers Association, National Delinquency Survey (various)

Strata

Census Tract Classification (Strata) Based on Suburban/Rural Dividing Line (320hh/mile)



	Frequency	Percent
Rural	404	28.7
Suburban	547	38.9
Urban	455	32.4
Total	1406	100.0

Classification

- Rural
- Suburban
- Urban



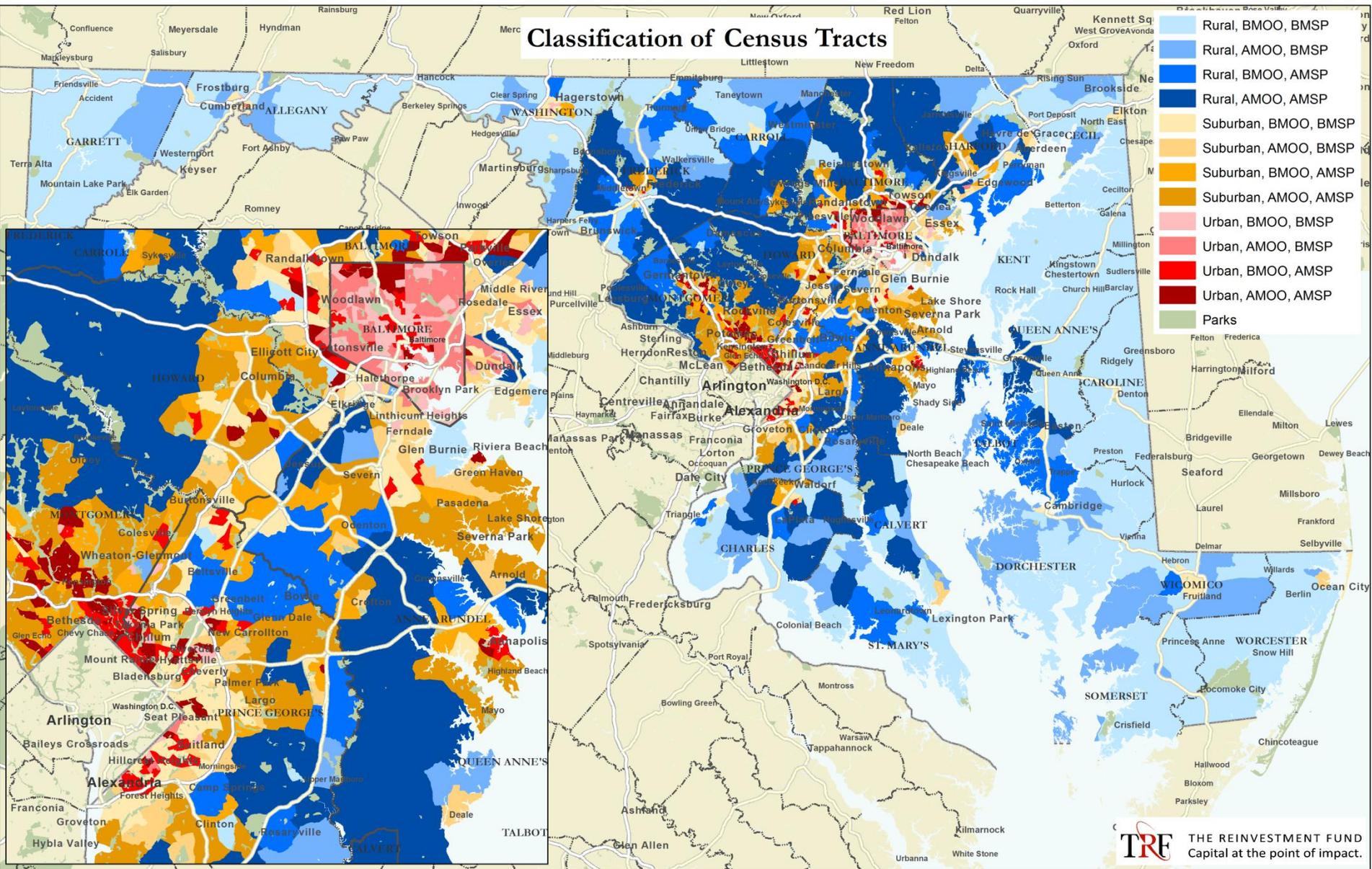
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

Sale Price and Owner Occupancy Breaks

Status	Median Sale Price (2000-2001)	Owner Occupancy Rate (2000)
Rural	\$150,291	85.7%
Suburban	\$150,000	78.3%
Urban	\$90,000	52.8%

Classification of Census Tracts

- Rural, BMOO, BMSP
- Rural, AMOO, BMSP
- Rural, BMOO, AMSP
- Rural, AMOO, AMSP
- Suburban, BMOO, BMSP
- Suburban, AMOO, BMSP
- Suburban, BMOO, AMSP
- Suburban, AMOO, AMSP
- Urban, BMOO, BMSP
- Urban, AMOO, BMSP
- Urban, BMOO, AMSP
- Parks



Census Tract Classifications

Tract Type	Number of Tracts	Percent of Tracts
1.00 Rural, Below Median Owner-Occupancy, Below Median Sales Price	143	10.2
2.00 Suburban, Below Median Owner-Occupancy, Below Median Sales Price	170	12.1
3.00 Urban, Below Median Owner-Occupancy, Below Median Sales Price	121	8.6
4.00 Rural, Above Median Owner-Occupancy, Below Median Sales Price	52	3.7
5.00 Suburban, Above Median Owner-Occupancy, Below Median Sales Price	102	7.3
6.00 Urban, Above Median Owner-Occupancy, Below Median Sales Price	109	7.8
7.00 Rural, Below Median Owner-Occupancy, Above Median Sales Price	54	3.8
8.00 Suburban, Below Median Owner-Occupancy, Above Median Sales Price	105	7.5
9.00 Urban, Below Median Owner-Occupancy, Above Median Sales Price	118	8.4
10.00 Rural, Above Median Owner-Occupancy, Above Median Sales Price	139	9.9
11.00 Suburban, Above Median Owner-Occupancy, Above Median Sales Price	170	12.1
12.00 Urban, Above Median Owner-Occupancy, Above Median Sales Price	106	7.5
Subtotal	1389	98.8
Missing	17	1.2
Total	1406	100

Demographics

Population, Families & Changes

Strata	Total Population, 2000	Total Population, 2010	Change in Population	Percent Change in Population	Total Families, 2000	Total Families, 2010	Change in Families	Percent Change in Families
1.00 Rural, Low Ownocc, Below Median Sales Price	539,799	617,568	77,769	14.4%	144,573	160,954	16,381	11.3%
2.00 Suburban, Low Ownocc, Below Median Sales	675,659	719,932	44,273	6.6%	169,247	172,224	2,977	1.8%
3.00 Urban, Low Ownocc, Below Median Sales Price	389,847	365,739	(24,108)	-6.2%	88,400	79,525	(8,875)	-10.0%
4.00 Rural, High Ownocc, Below Median Sales Price	103,841	120,762	16,921	16.3%	28,332	31,201	2,869	10.1%
5.00 Suburban, High Ownocc, Below Median Sales	408,535	437,278	28,743	7.0%	110,878	114,241	3,363	3.0%
6.00 Urban, High Ownocc, Below Median Sales Price	371,876	361,439	(10,437)	-2.8%	93,496	86,075	(7,421)	-7.9%
7.00 Rural, Low Ownocc, Above Median Sales Price	177,827	218,993	41,166	23.1%	47,064	56,969	9,905	21.0%
8.00 Suburban, Low Ownocc, Above Median Sales	422,181	492,457	70,276	16.6%	108,393	123,403	15,010	13.8%
9.00 Urban, Low Ownocc, Above Median Sales Price	456,630	481,165	24,535	5.4%	102,632	103,790	1,158	1.1%
10.00 Rural, High Ownocc, Above Median Sales Price	588,756	713,463	124,707	21.2%	166,063	198,571	32,508	19.6%
11.00 Suburban, High Ownocc, Above Median Sales	719,210	784,955	65,745	9.1%	200,889	213,722	12,833	6.4%
12.00 Urban, High Ownocc, Above Median Sales	428,934	448,400	19,466	4.5%	108,359	106,327	(2,032)	-1.9%
Total	5,283,095	5,762,151	479,056	9.1%	1,368,326	1,447,002	78,676	5.7%

Race/Ethnicity Composition

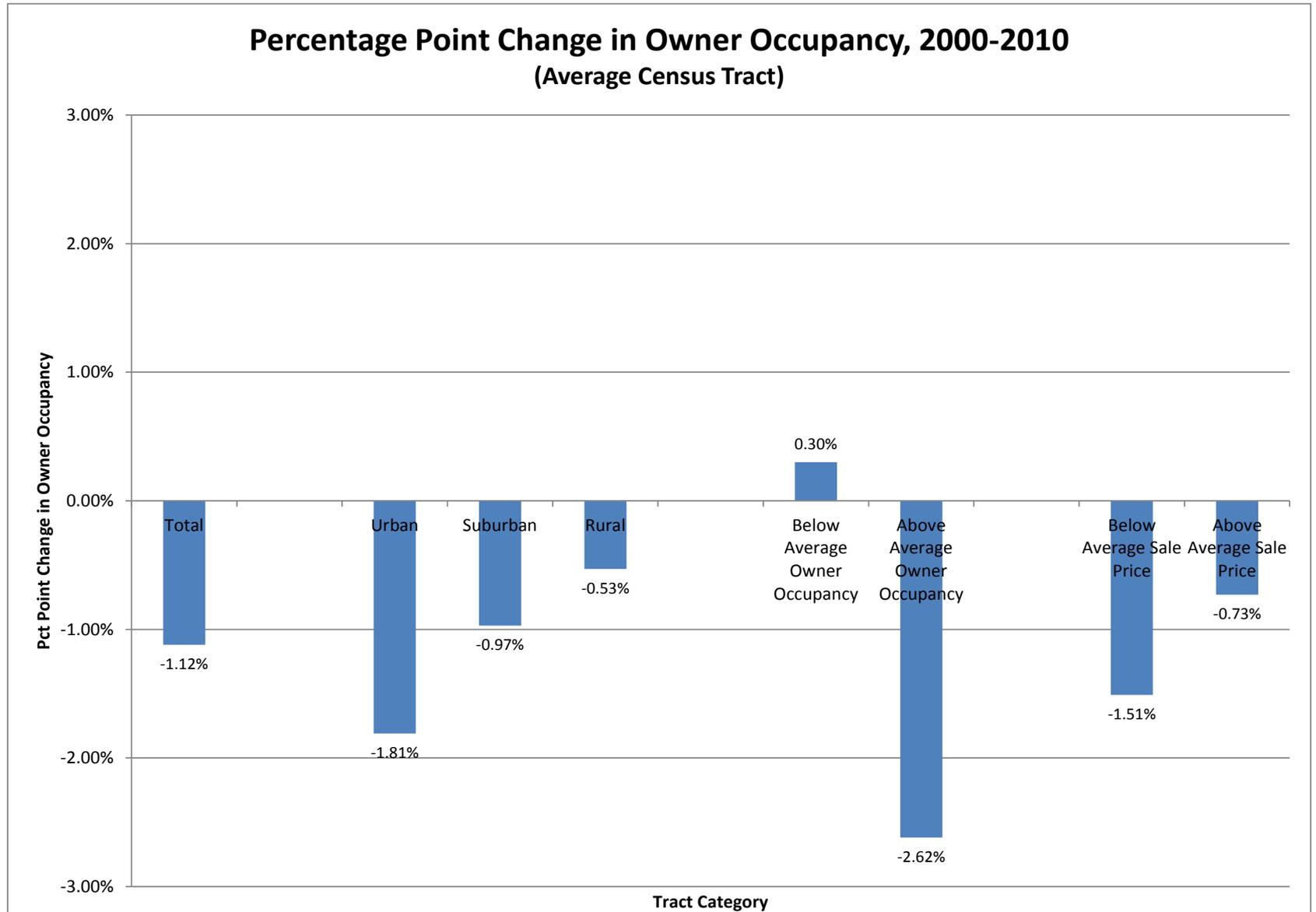
Strata	Percent Black, 2000	Percent Black, 2010	Percent White, 2000	Percent White, 2010	Percent Hispanic, 2000	Percent Hispanic, 2010
1.00 Rural, Low Ownocc, Below Median Sales Price	12.7%	13.7%	83.5%	79.0%	1.4%	3.4%
2.00 Suburban, Low Ownocc, Below Median Sales	32.8%	36.1%	57.5%	47.5%	3.7%	8.6%
3.00 Urban, Low Ownocc, Below Median Sales Price	60.8%	60.0%	28.7%	24.6%	5.9%	10.4%
4.00 Rural, High Ownocc, Below Median Sales Price	12.1%	15.9%	84.3%	78.3%	1.1%	2.6%
5.00 Suburban, High Ownocc, Below Median Sales	26.8%	30.3%	65.8%	55.8%	2.6%	7.2%
6.00 Urban, High Ownocc, Below Median Sales Price	55.1%	59.2%	40.1%	32.2%	1.7%	4.9%
7.00 Rural, Low Ownocc, Above Median Sales Price	14.1%	16.3%	79.5%	70.8%	2.3%	4.5%
8.00 Suburban, Low Ownocc, Above Median Sales	22.2%	27.3%	60.9%	48.5%	6.5%	10.4%
9.00 Urban, Low Ownocc, Above Median Sales Price	44.6%	44.1%	36.8%	30.8%	9.4%	15.4%
10.00 Rural, High Ownocc, Above Median Sales Price	9.0%	13.0%	85.7%	76.3%	1.6%	3.5%
11.00 Suburban, High Ownocc, Above Median Sales	16.5%	19.8%	70.7%	61.5%	3.4%	6.8%
12.00 Urban, High Ownocc, Above Median Sales	21.8%	22.6%	58.2%	47.4%	10.5%	19.1%
Total	27.4%	28.9%	62.2%	54.8%	4.3%	8.2%

Owner Occupancy

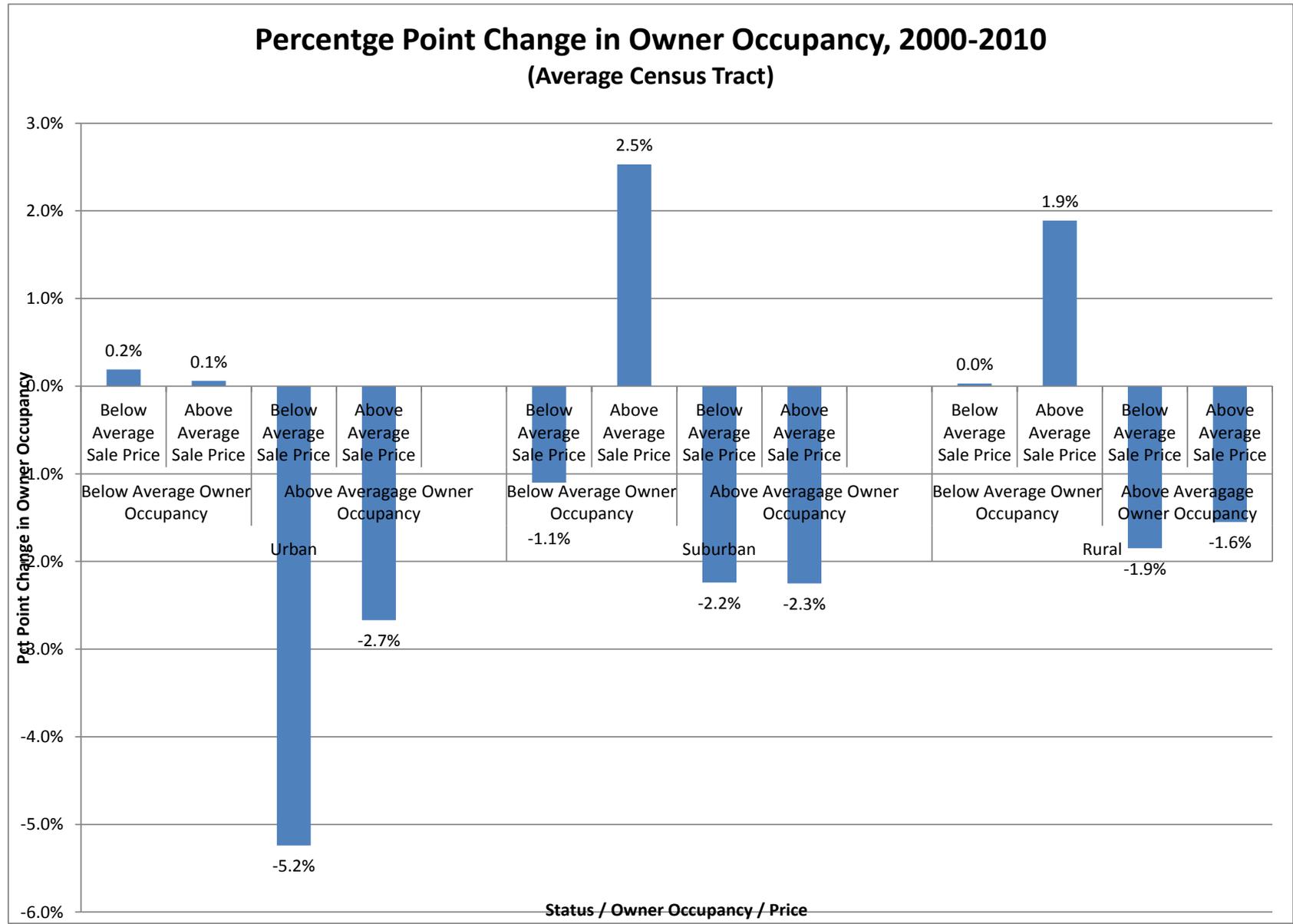
Households, Owner-Occupancy Counts & Changes

	Households, 2000	Households, 2010	Change in Households	Percent Owner Occupied, 2000	Percent Owner Occupied, 2010	Difference in Owner Occupancy
1.00 Rural, Low Ownocc, Below Median Sales Price	145,812	166,869	21,057	73.8%	73.3%	-0.5%
2.00 Suburban, Low Ownocc, Below Median Sales Price	149,578	153,143	3,565	57.5%	56.1%	-1.4%
3.00 Urban, Low Ownocc, Below Median Sales Price	53,547	50,472	-3,075	33.8%	33.7%	-0.1%
4.00 Rural, High Ownocc, Below Median Sales Price	56,176	62,523	6,347	88.4%	86.4%	-1.9%
5.00 Suburban, High Ownocc, Below Median Sales Price	123,703	129,652	5,949	86.6%	84.5%	-2.1%
6.00 Urban, High Ownocc, Below Median Sales Price	98,400	89,871	-8,529	68.1%	63.3%	-4.9%
7.00 Rural, Low Ownocc, Above Median Sales Price	48,852	62,983	14,131	74.5%	77.8%	3.3%
8.00 Suburban, Low Ownocc, Above Median Sales Price	98,521	117,066	18,545	60.5%	62.3%	1.8%
9.00 Urban, Low Ownocc, Above Median Sales Price	62,693	65,254	2,561	31.9%	31.9%	0.0%
10.00 Rural, High Ownocc, Above Median Sales Price	159,438	196,514	37,076	91.8%	90.2%	-1.6%
11.00 Suburban, High Ownocc, Above Median Sales Price	227,241	246,245	19,004	90.1%	87.5%	-2.6%
12.00 Urban, High Ownocc, Above Median Sales Price	117,309	115,183	-2,126	72.2%	69.6%	-2.6%
Total	1,341,270	1,455,775	114,505	67.7%	67.5%	-0.2%

Average Tract Percent Change in Owner Occupancy by Status, Tenure and Sale Price Strata



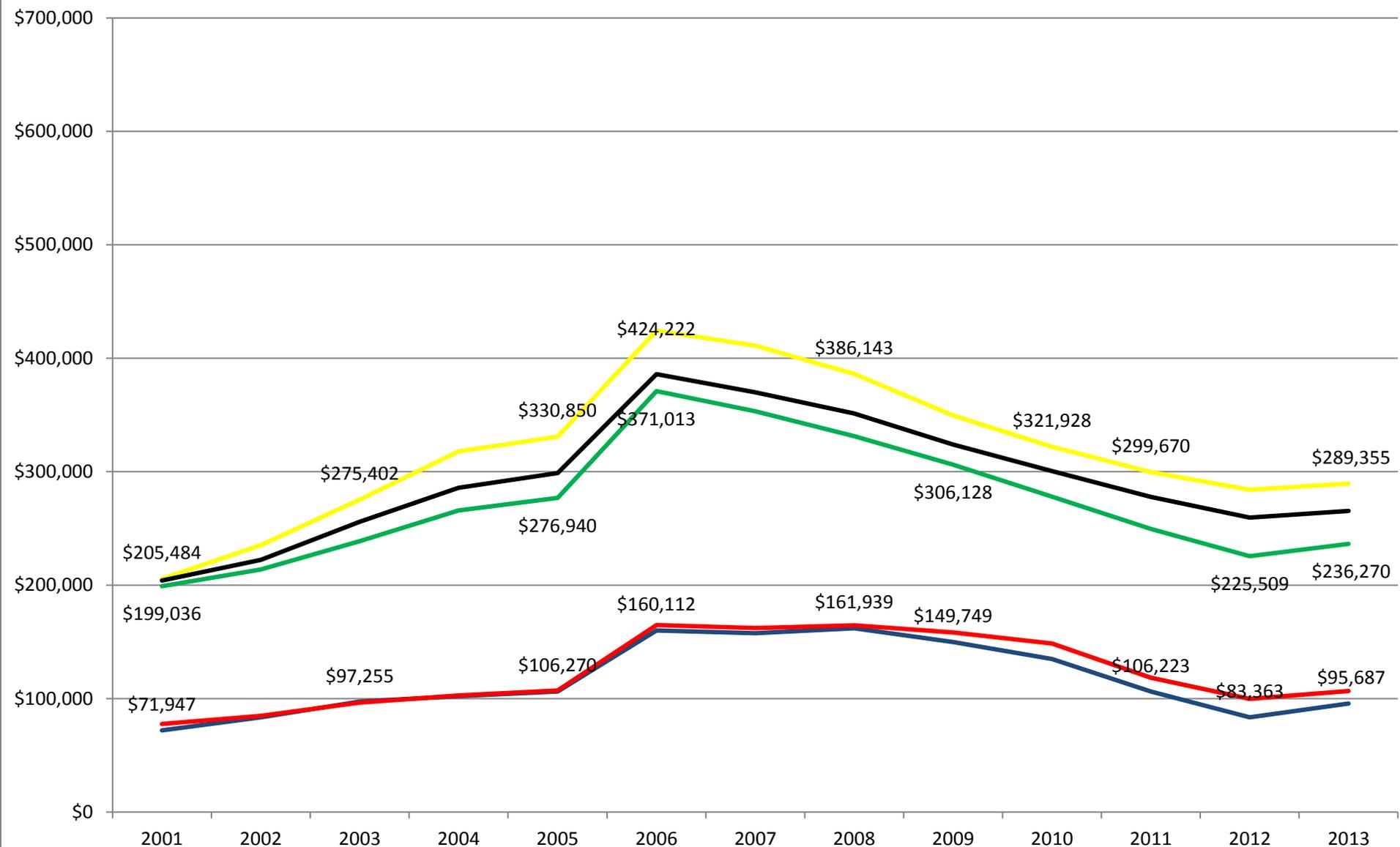
Average Tract Percent Change in Owner Occupancy by Status, Tenure and Sale Price Strata



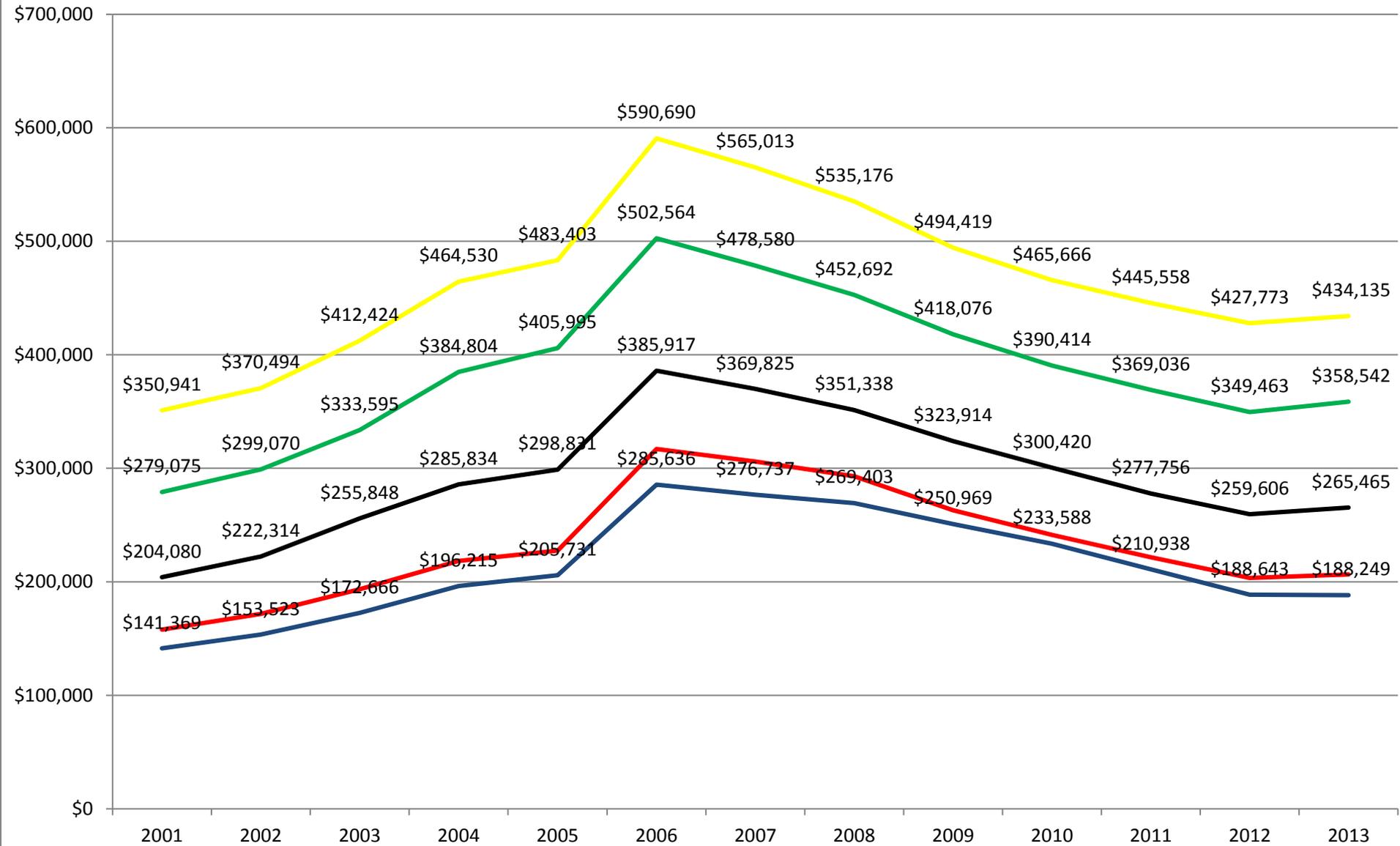


Sale Prices

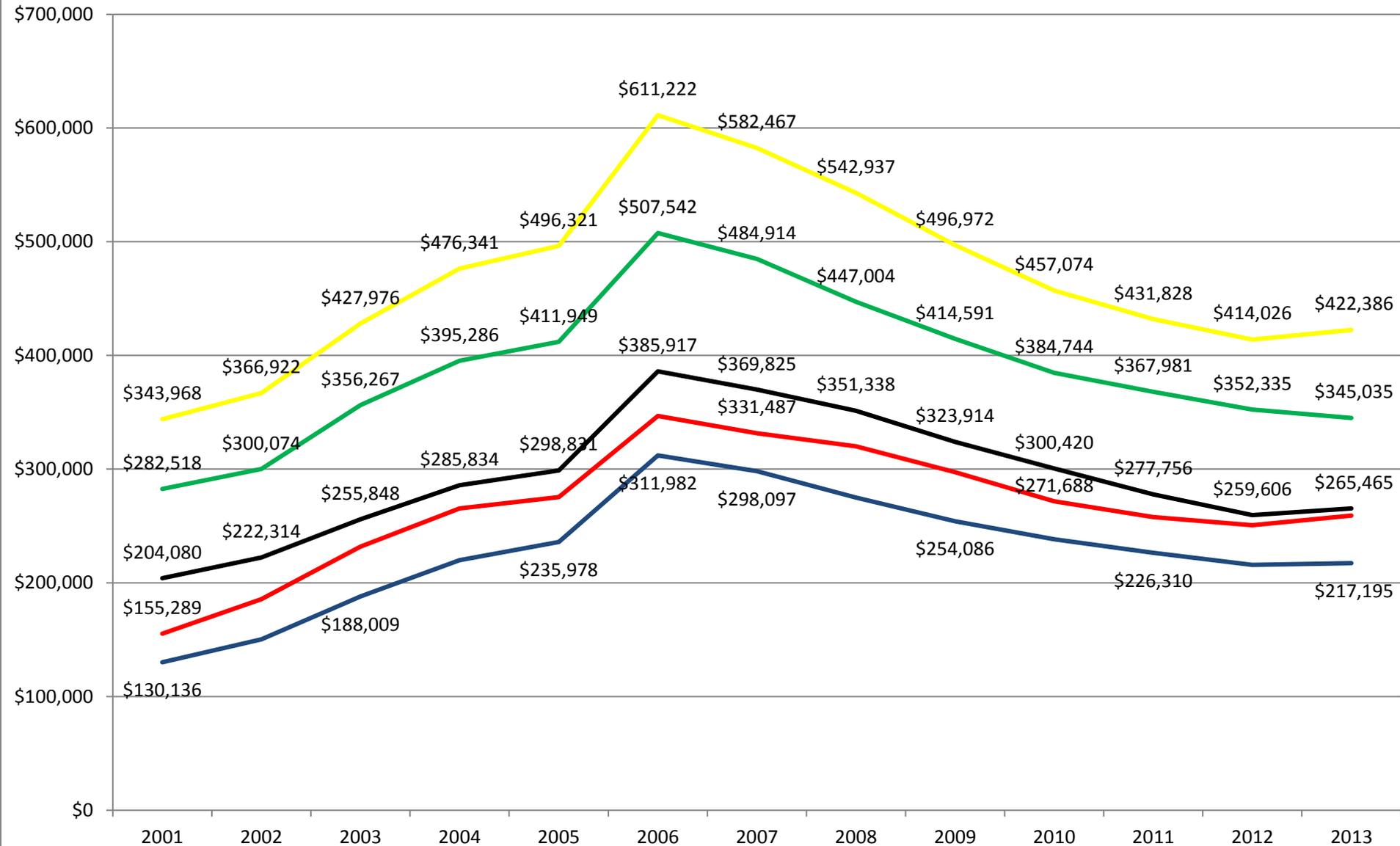
Average Tract Median Sale Prices (2013 Dollars) - Urban Areas



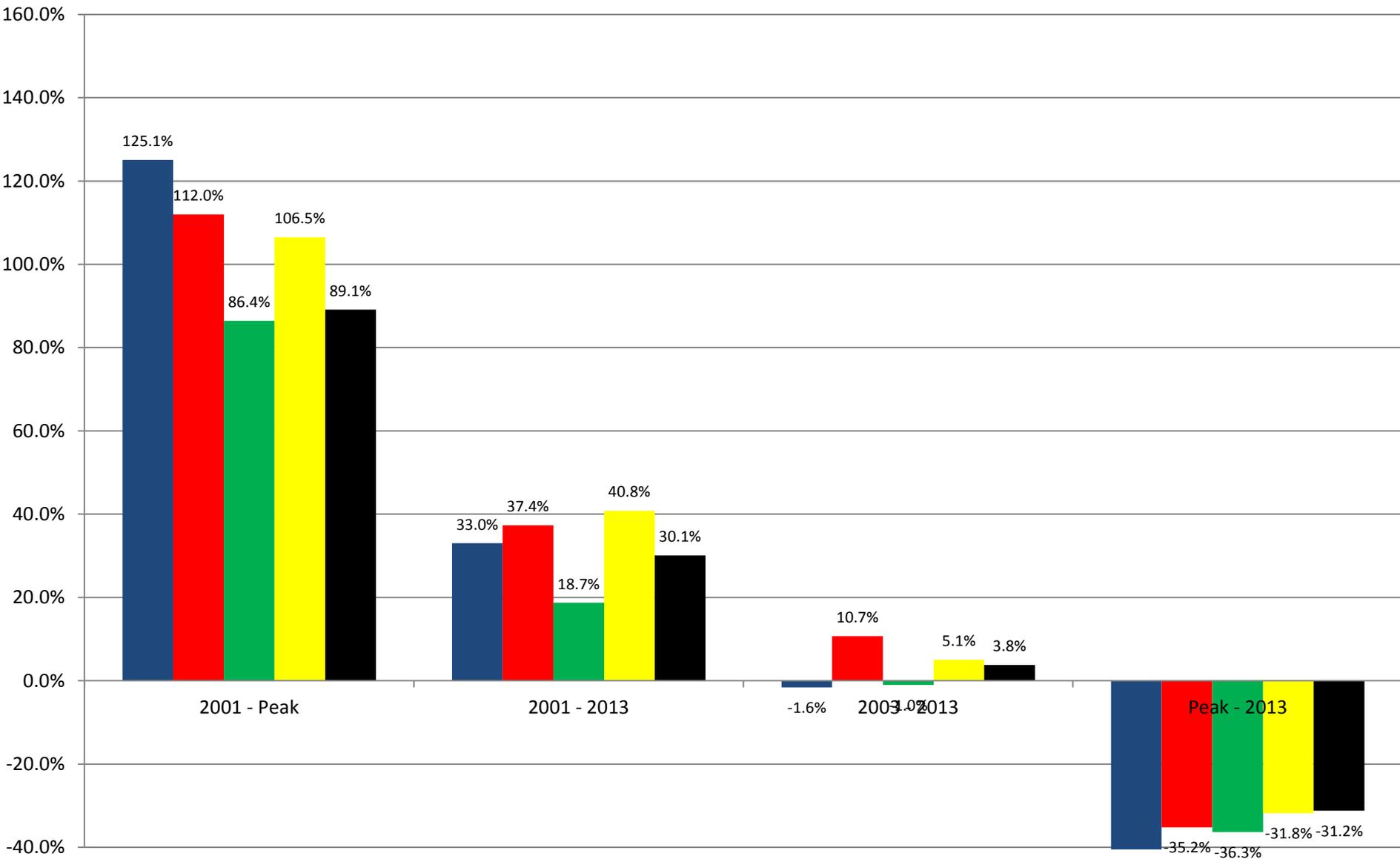
Average Tract Median Sale Prices (2013 Dollars) - Suburban Areas



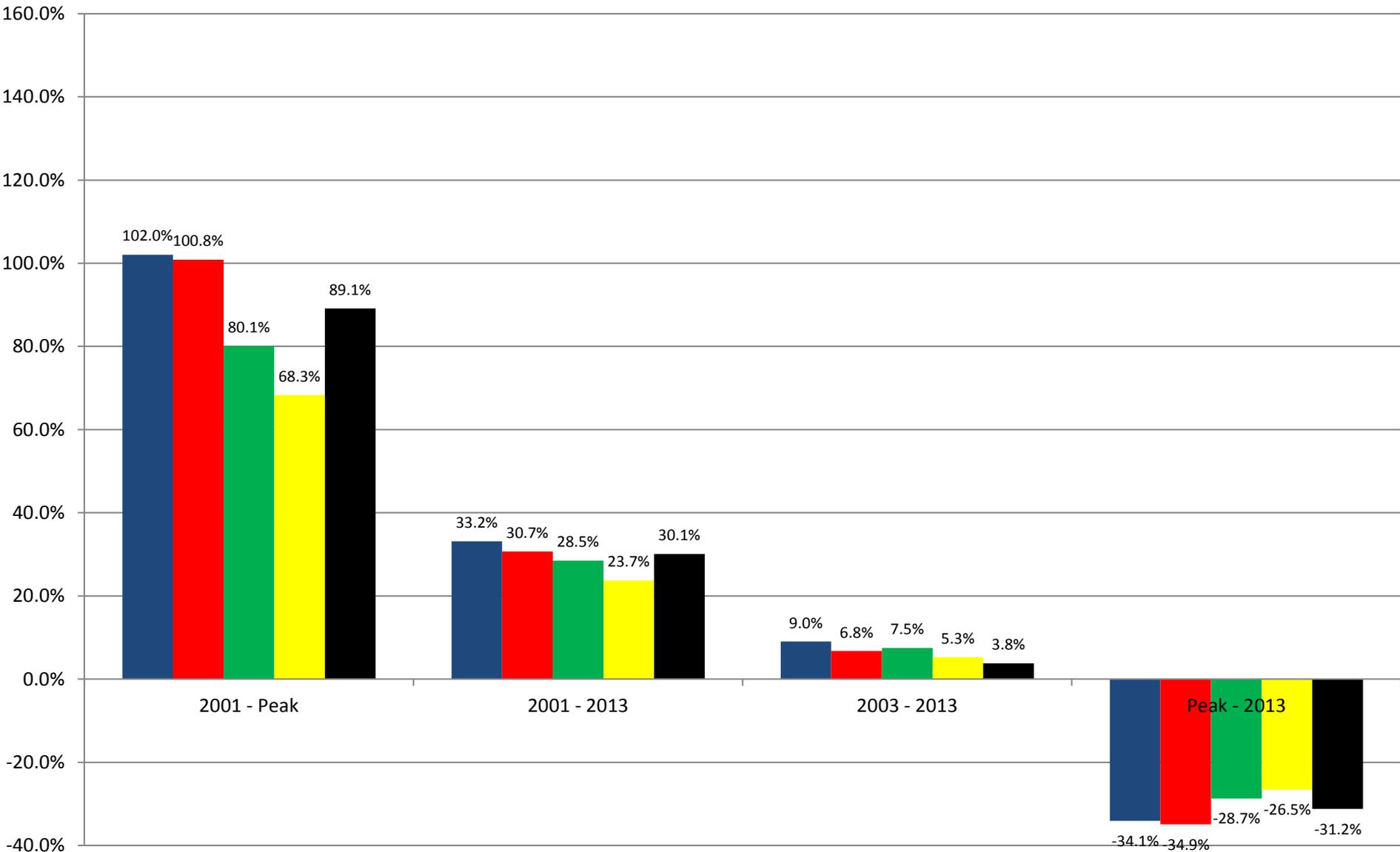
Average Tract Median Sale Prices (2013 Dollars) - Rural Areas



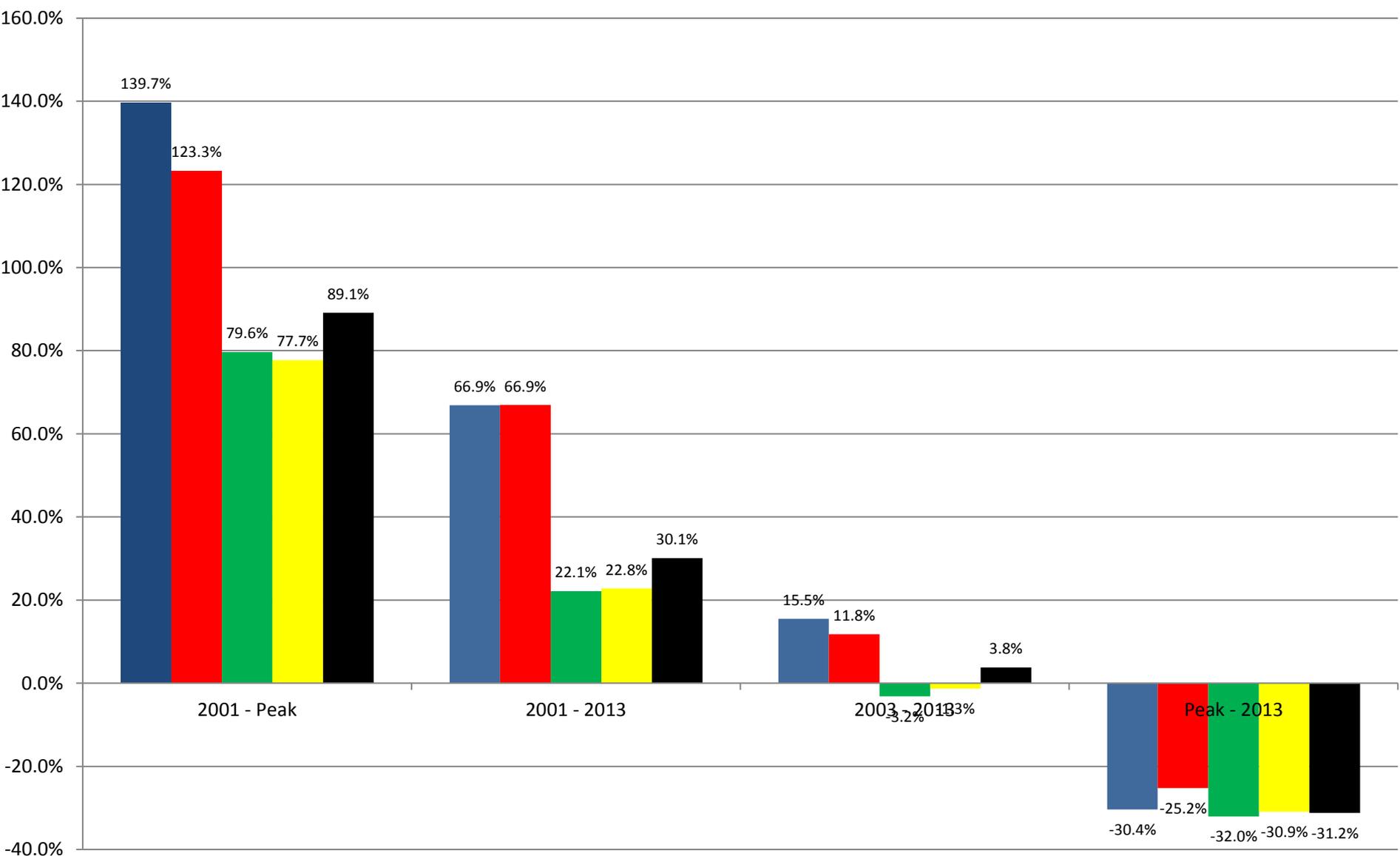
Percent Change in Sale Price (2013 Constant Dollars) - Urban Areas



Percent Change in Sale Price (2013 Constant Dollars) - Suburban Areas

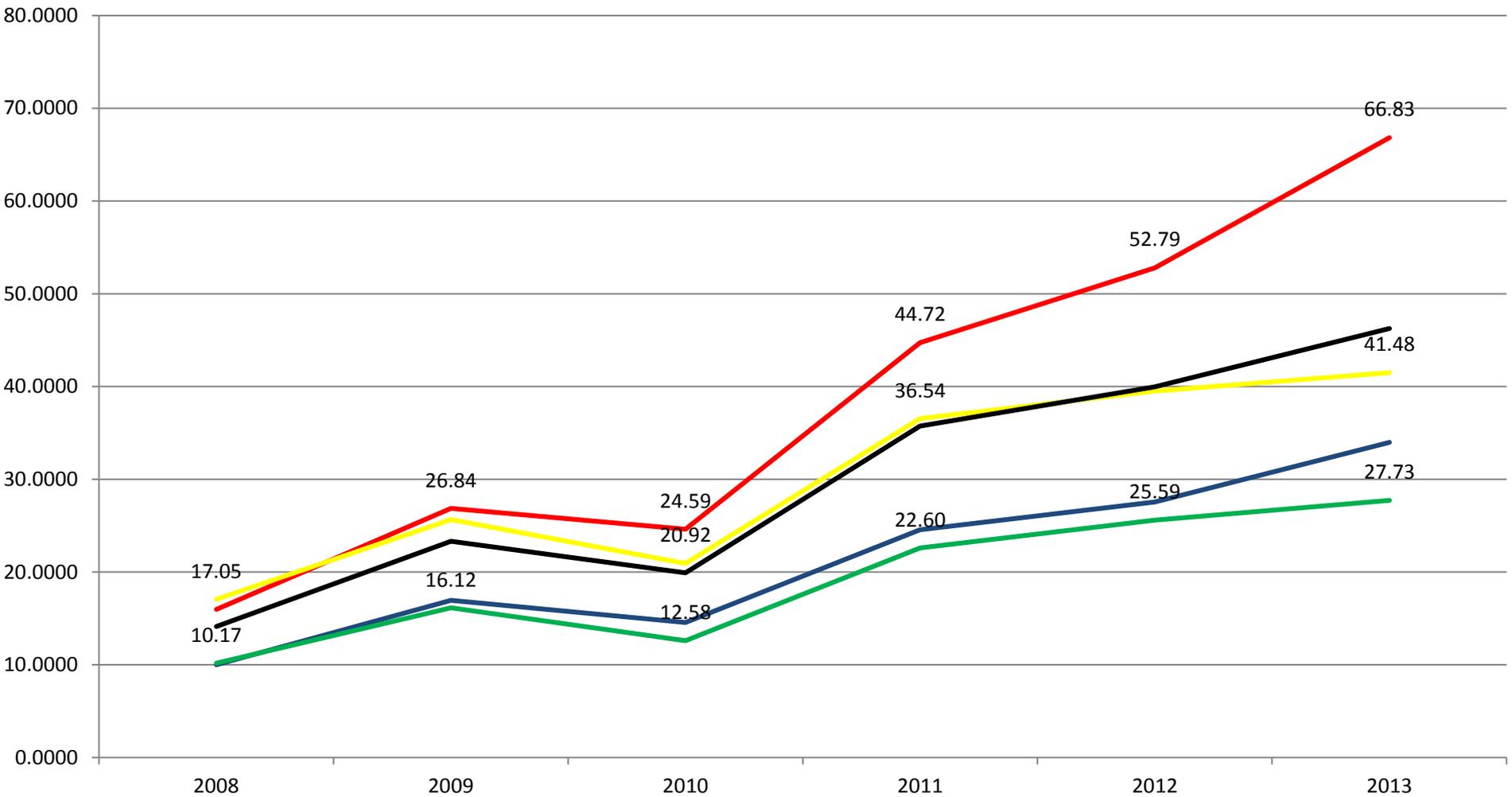


Percent Change in Sale Price (2013 Constant Dollars) - Rural Areas



Mortgage Foreclosures

Average Number of Tract Foreclosures - Urban Areas



3.00 Urban, Below Median Owner-Occupancy, Below Median Sales Price

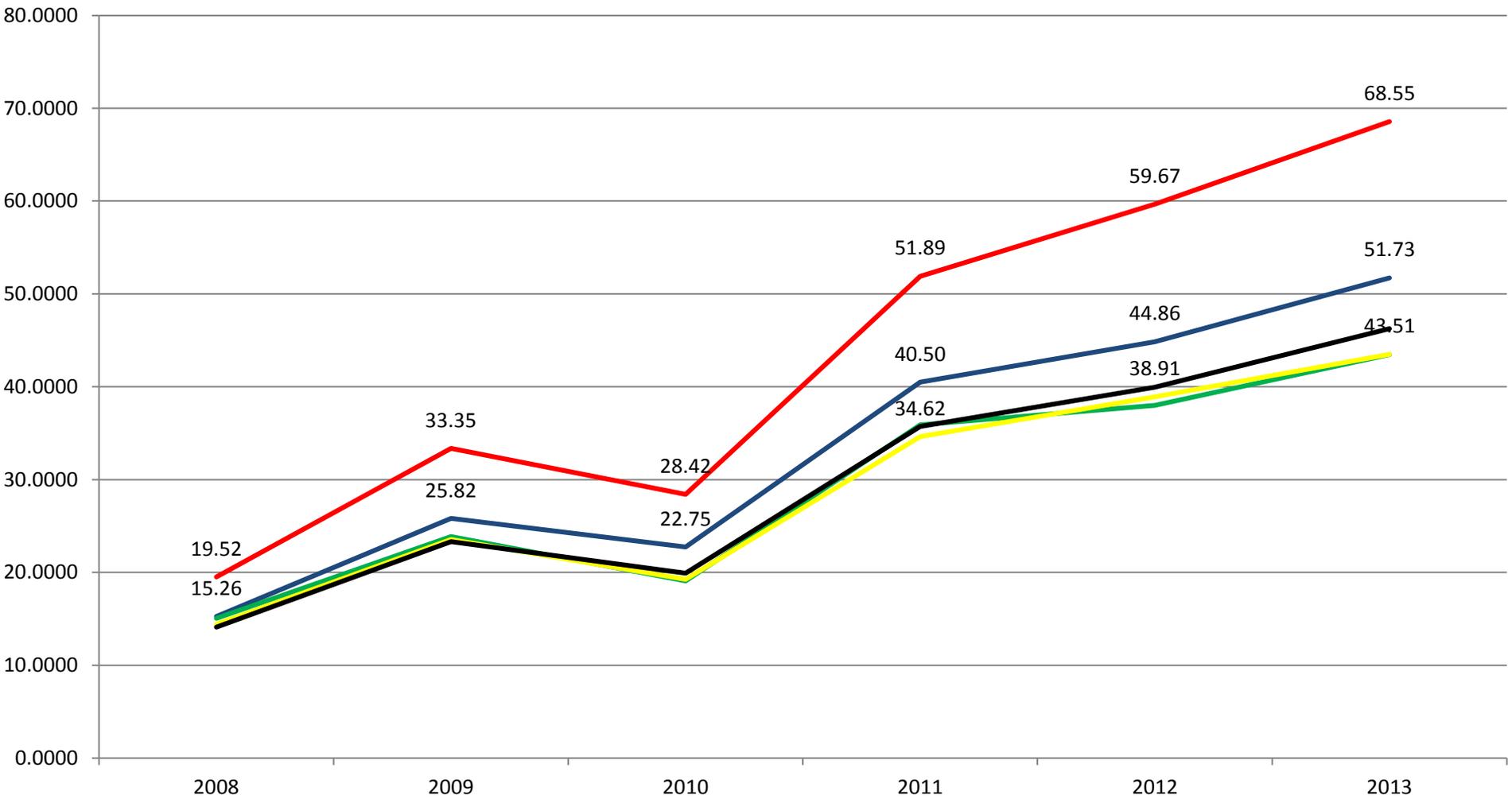
6.00 Urban, Above Median Owner-Occupancy, Below Median Sales Price

9.00 Urban, Below Median Owner-Occupancy, Above Median Sales Price

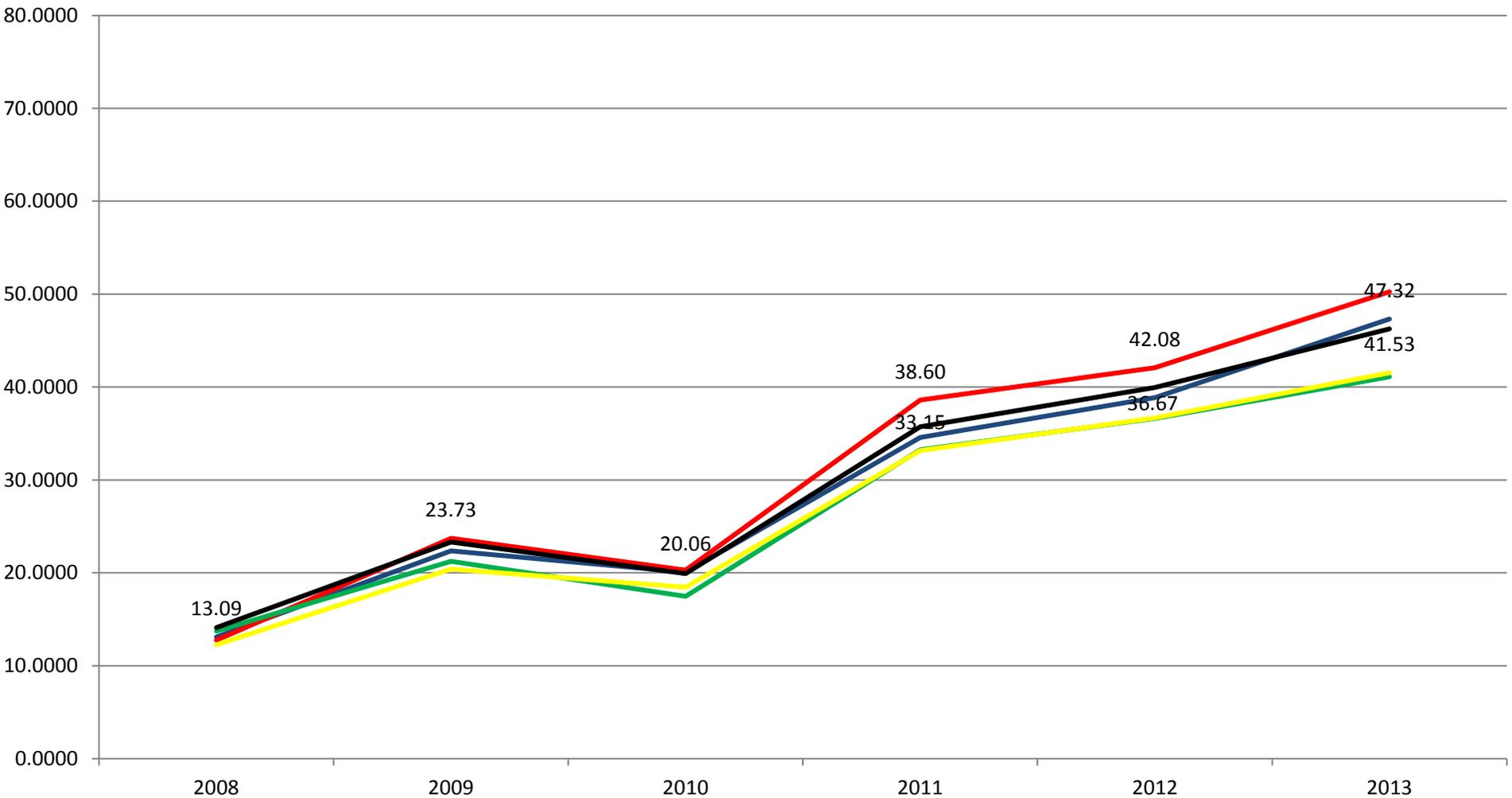
12.00 Urban, Above Median Owner-Occupancy, Above Median Sales Price

State of Maryland

Average Number of Tract Foreclosures - Suburban Areas



Average Number of Tract Foreclosures - Rural Areas



1.00 Rural, Below Median Owner-Occupancy, Below Median Sales Price

4.00 Rural, Above Median Owner-Occupancy, Below Median Sales Price

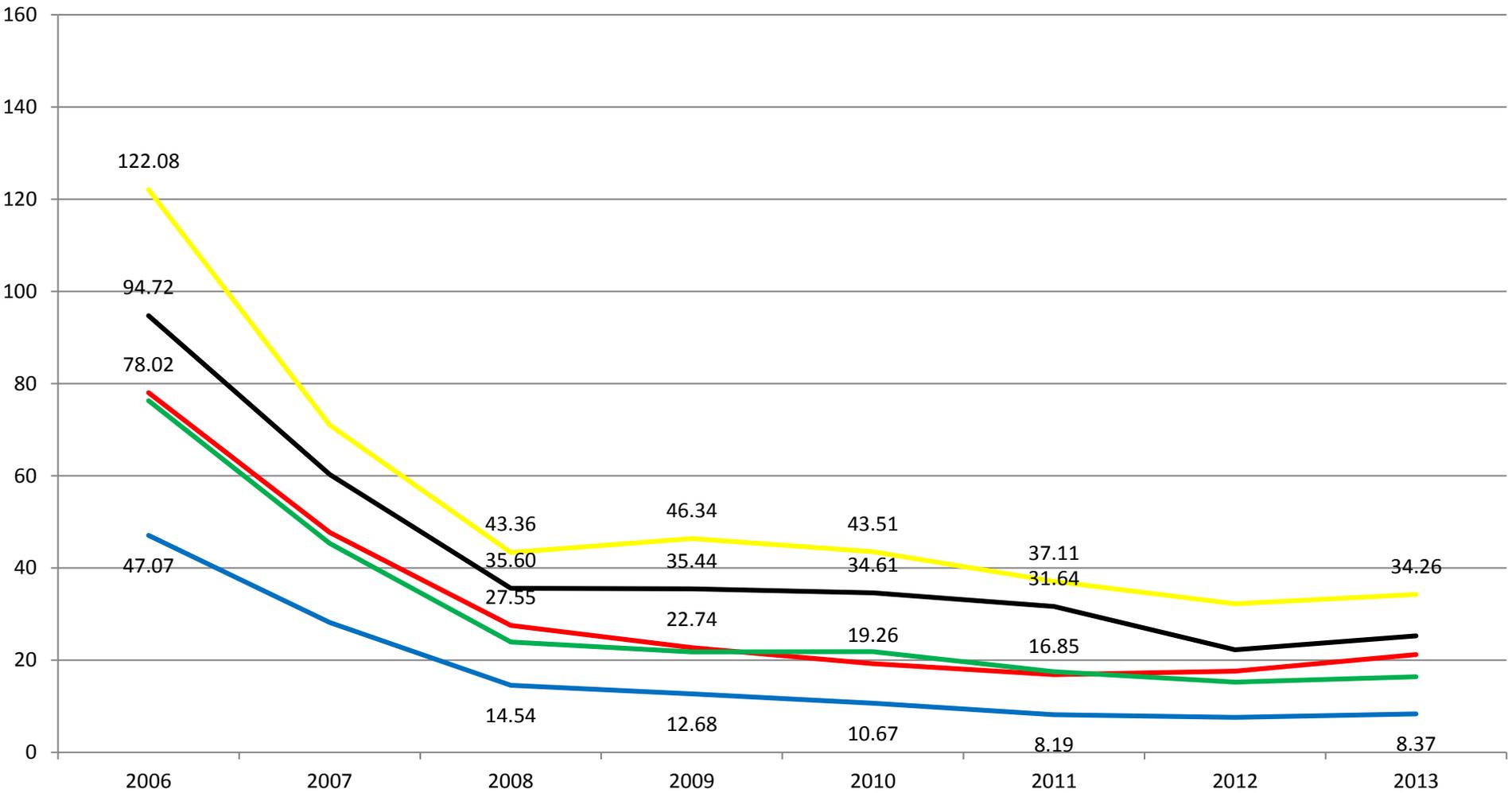
7.00 Rural, Below Median Owner-Occupancy, Above Median Sales Price

10.00 Rural, Above Median Owner-Occupancy, Above Median Sales Price

State of Maryland

Mortgage Lending Activity

Mortgage Loan Originations - Urban Areas



3.00 Urban, Below Median Owner-Occupancy, Below Median Sales Price

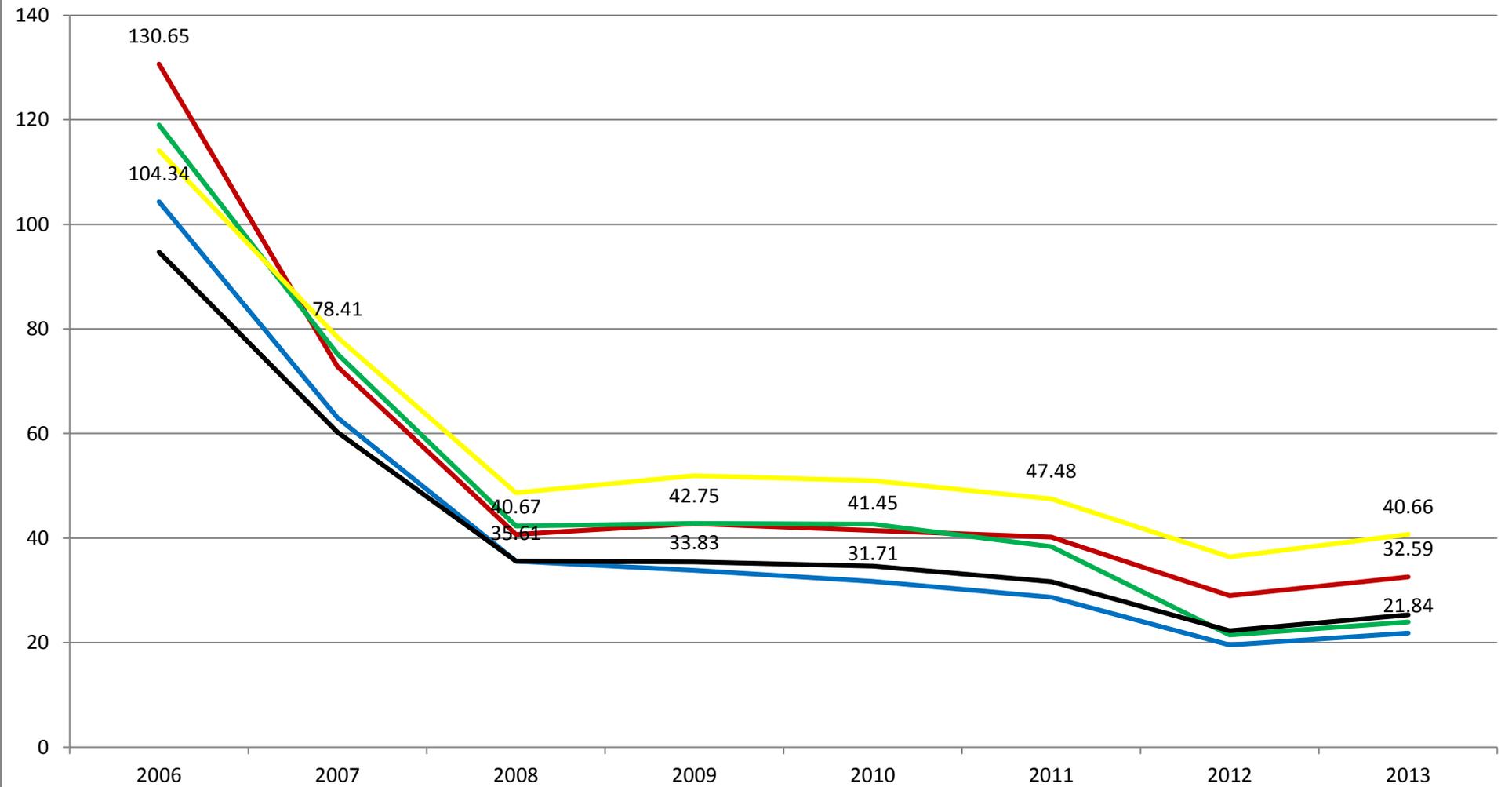
6.00 Urban, Above Median Owner-Occupancy, Below Median Sales Price

9.00 Urban, Below Median Owner-Occupancy, Above Median Sales Price

12.00 Urban, Above Median Owner-Occupancy, Above Median Sales Price

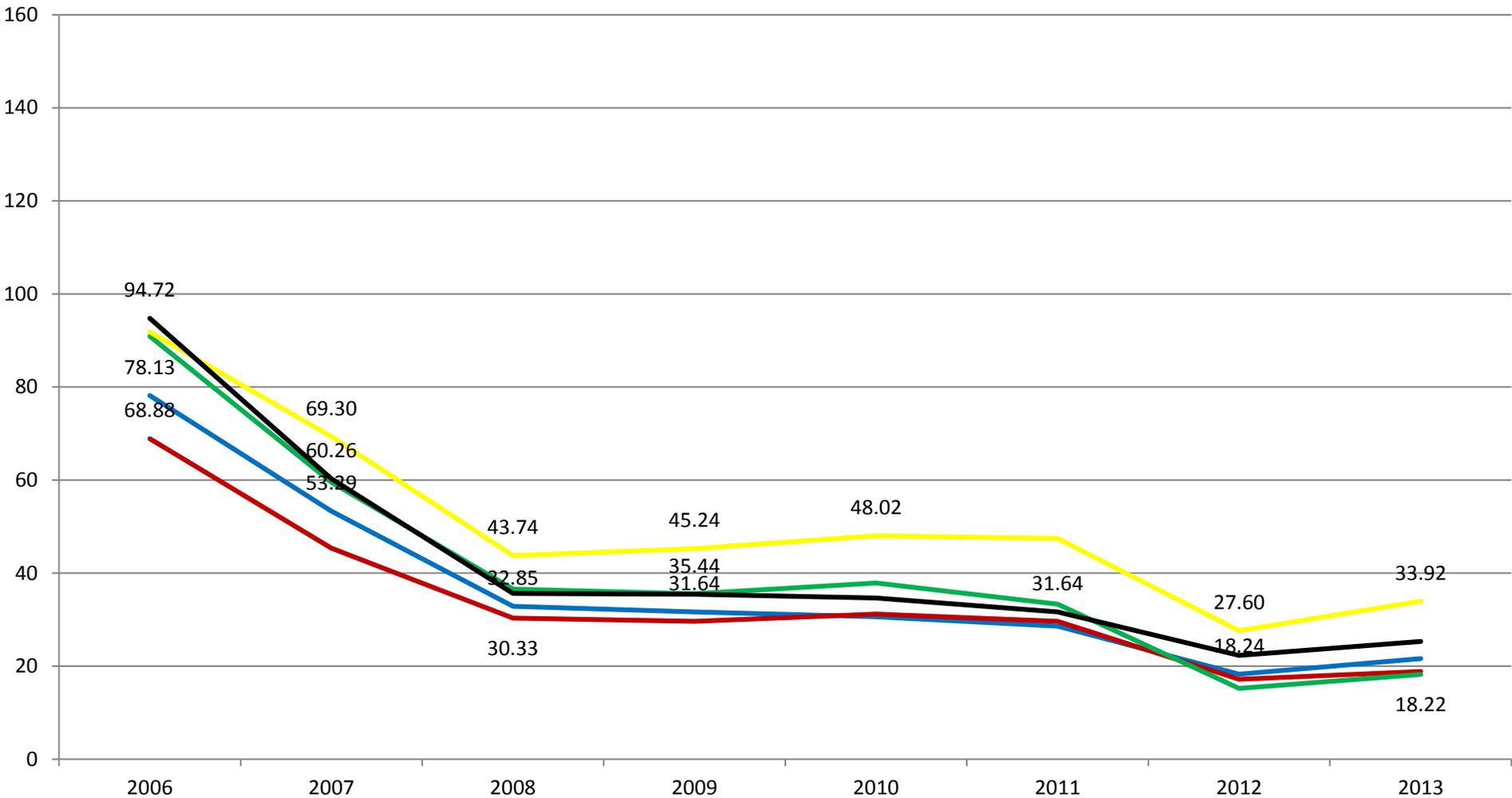
State of Maryland

Mortgage Loan Originations - Suburban Areas



— 2.00 Suburban, Below Median Owner-Occupancy, Below Median Sales Price
 — 5.00 Suburban, Above Median Owner-Occupancy, Below Median Sales Price
 — 8.00 Suburban, Below Median Owner-Occupancy, Above Median Sales Price
 — 11.00 Suburban, Above Median Owner-Occupancy, Above Median Sales Price
 — State of Maryland

Mortgage Loan Originations - Rural Areas

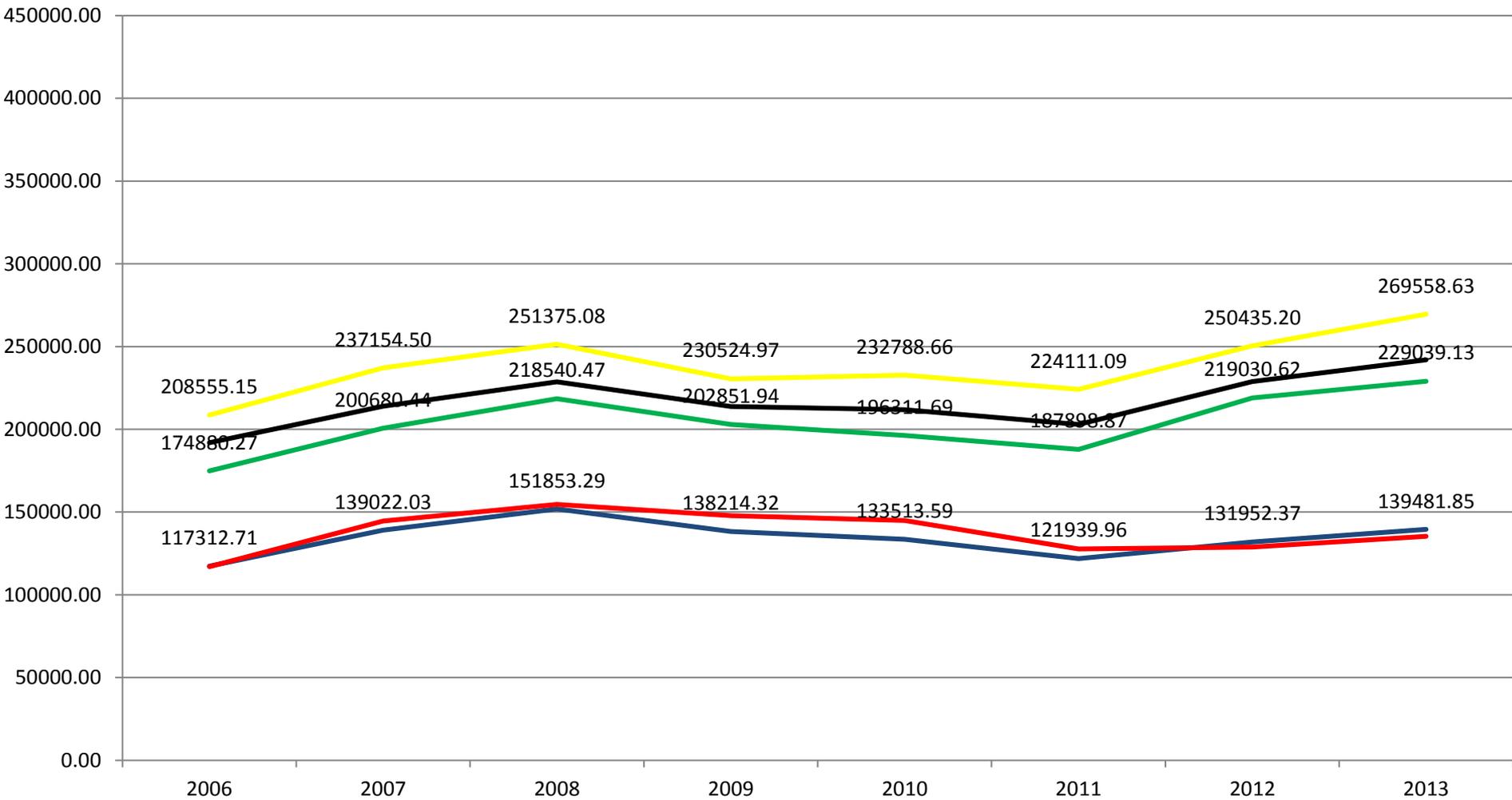


— 1.00 Rural, Below Median Owner-Occupancy, Below Median Sales Price
— 7.00 Rural, Below Median Owner-Occupancy, Above Median Sales Price
— State of Maryland

— 4.00 Rural, Above Median Owner-Occupancy, Below Median Sales Price
— 10.00 Rural, Above Median Owner-Occupancy, Above Median Sales Price

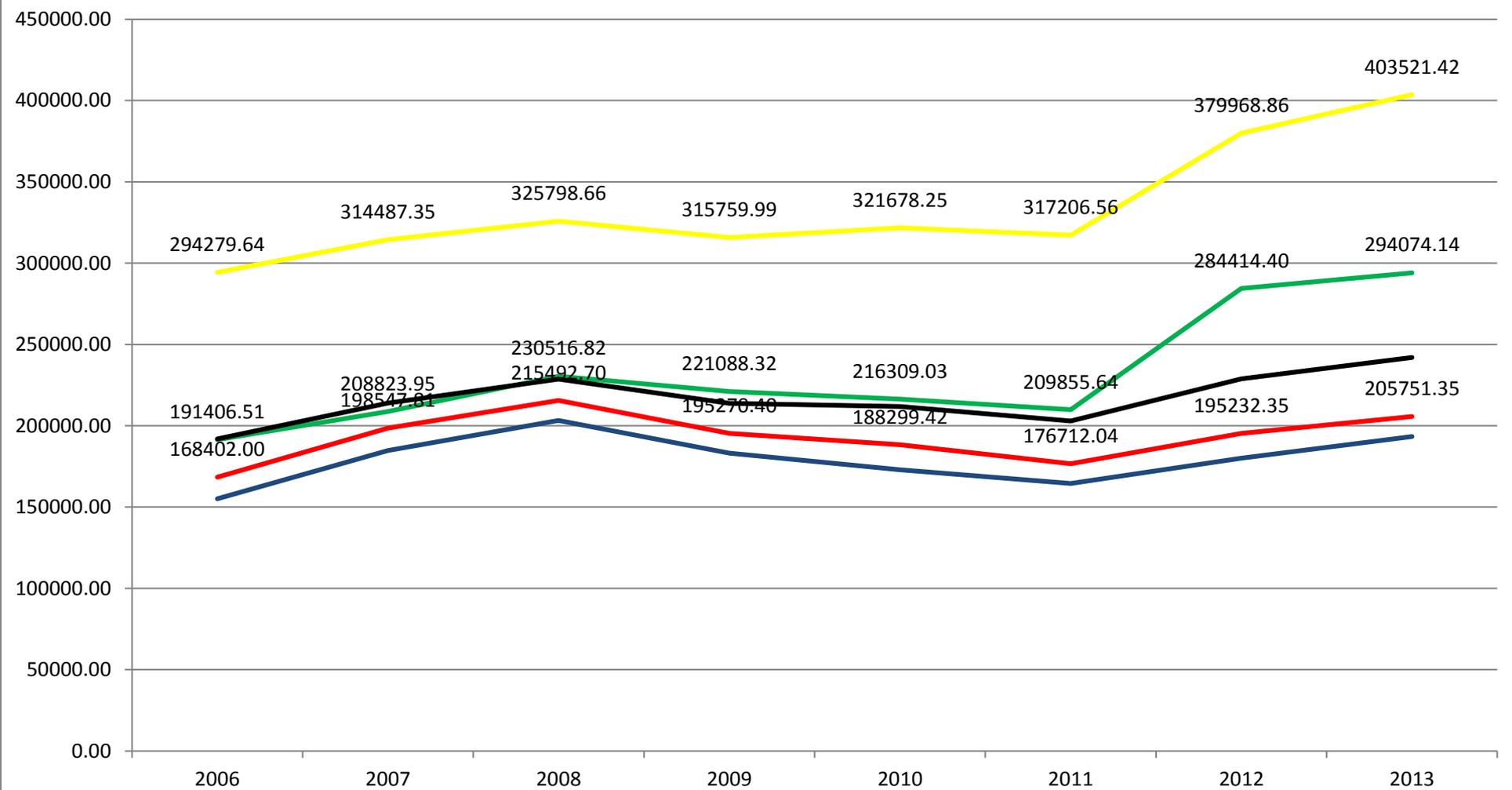
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Purchase Mortgage Loan Amounts - Urban Areas



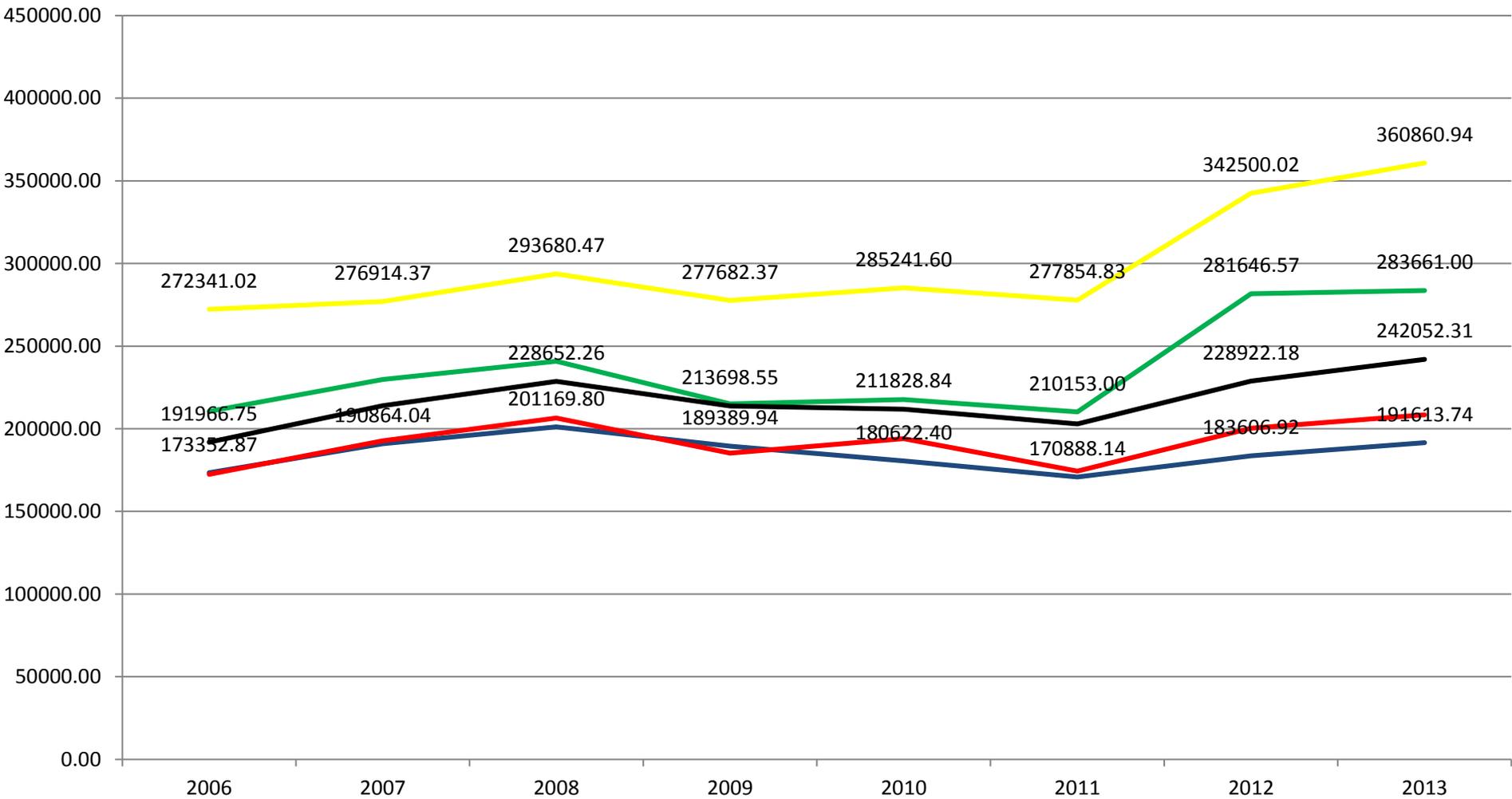
— 3.00 Urban, Below Median Owner-Occupancy, Below Median Sales Price
 — 6.00 Urban, Above Median Owner-Occupancy, Below Median Sales Price
— 9.00 Urban, Below Median Owner-Occupancy, Above Median Sales Price
 — 12.00 Urban, Above Median Owner-Occupancy, Above Median Sales Price
— State of Maryland

Purchase Mortgage Loan Amounts - Suburban Areas



■ 2.00 Suburban, Below Median Owner-Occupancy, Below Median Sales Price
 ■ 5.00 Suburban, Above Median Owner-Occupancy, Below Median Sales Price
■ 8.00 Suburban, Below Median Owner-Occupancy, Above Median Sales Price
 ■ 11.00 Suburban, Above Median Owner-Occupancy, Above Median Sales Price
■ State of Maryland

Purchase Mortgage Loan Amounts - Rural Areas



1.00 Rural, Below Median Owner-Occupancy, Below Median Sales Price

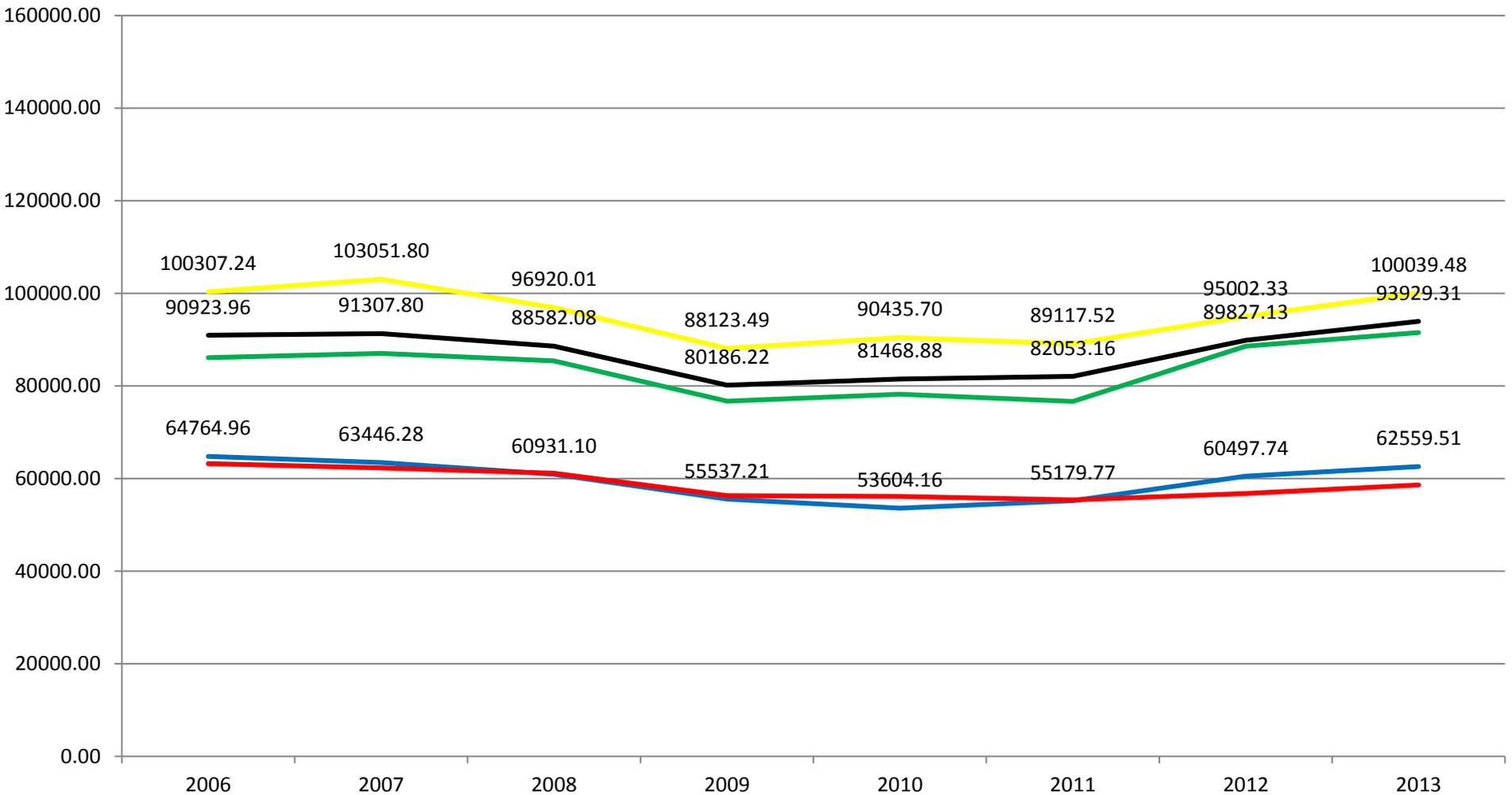
4.00 Rural, Above Median Owner-Occupancy, Below Median Sales Price

7.00 Rural, Below Median Owner-Occupancy, Above Median Sales Price

10.00 Rural, Above Median Owner-Occupancy, Above Median Sales Price

State of Maryland

Mortgage Application Income Amounts - Urban Areas



3.00 Urban, Below Median Owner-Occupancy, Below Median Sales Price

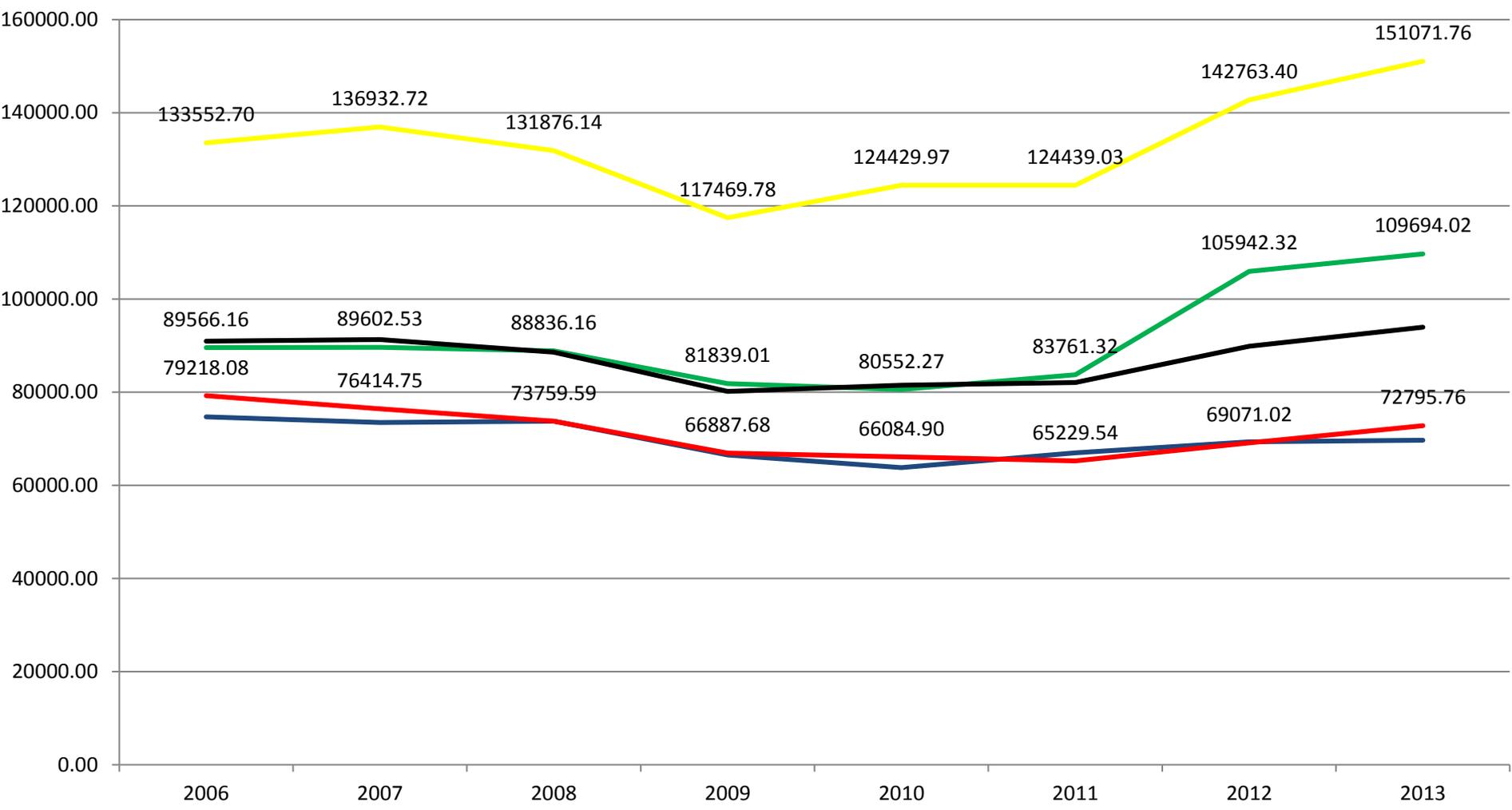
6.00 Urban, Above Median Owner-Occupancy, Below Median Sales Price

9.00 Urban, Below Median Owner-Occupancy, Above Median Sales Price

12.00 Urban, Above Median Owner-Occupancy, Above Median Sales Price

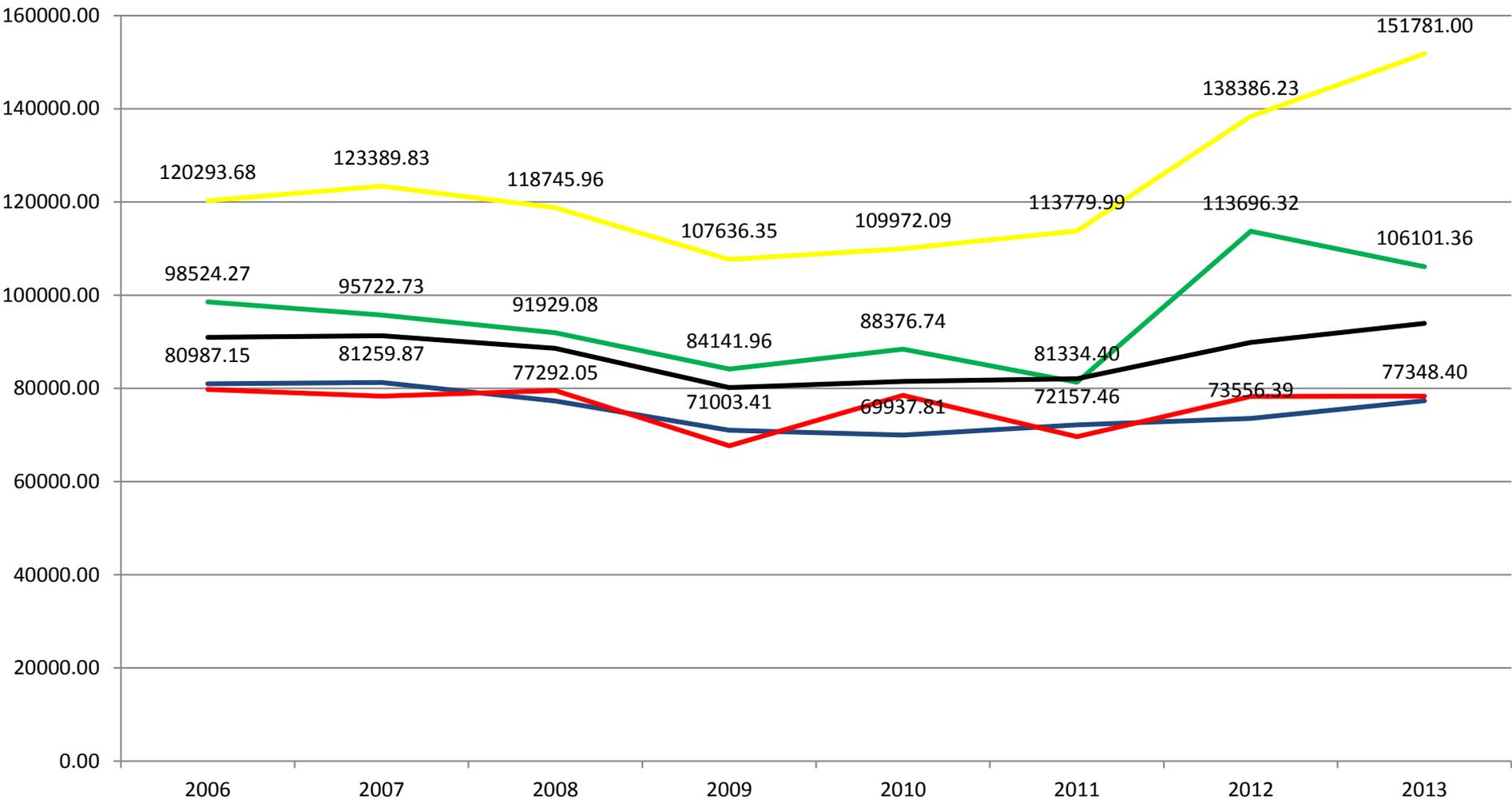
State Of Maryland

Mortgage Application Income Amounts - Suburban Areas



— 2.00 Suburban, Below Median Owner-Occupancy, Below Median Sales Price
 — 5.00 Suburban, Above Median Owner-Occupancy, Below Median Sales Price
— 8.00 Suburban, Below Median Owner-Occupancy, Above Median Sales Price
 — 11.00 Suburban, Above Median Owner-Occupancy, Above Median Sales Price
— State Of Maryland

Mortgage Application Income Amounts - Rural Areas



1.00 Rural, Below Median Owner-Occupancy, Below Median Sales Price

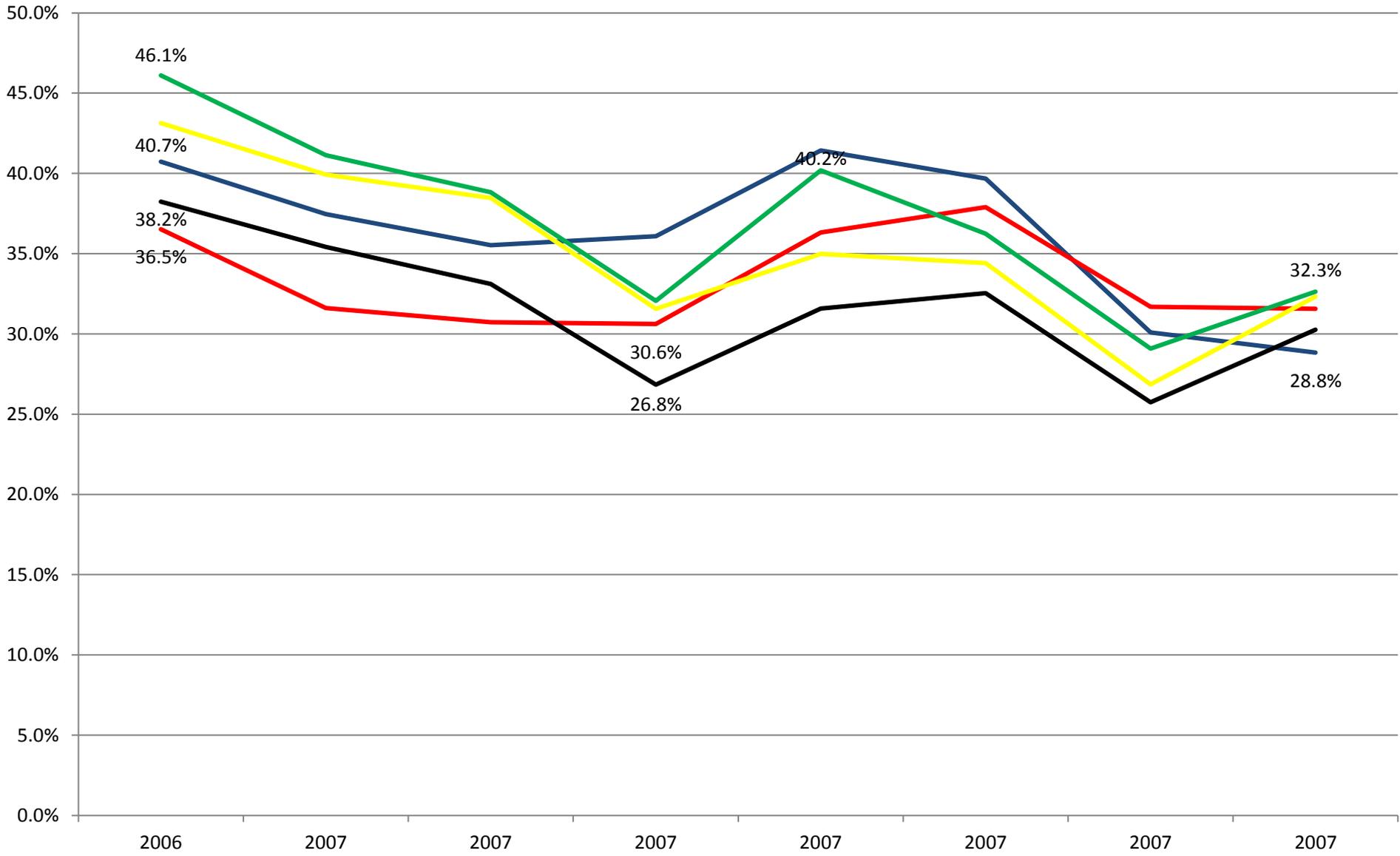
4.00 Rural, Above Median Owner-Occupancy, Below Median Sales Price

7.00 Rural, Below Median Owner-Occupancy, Above Median Sales Price

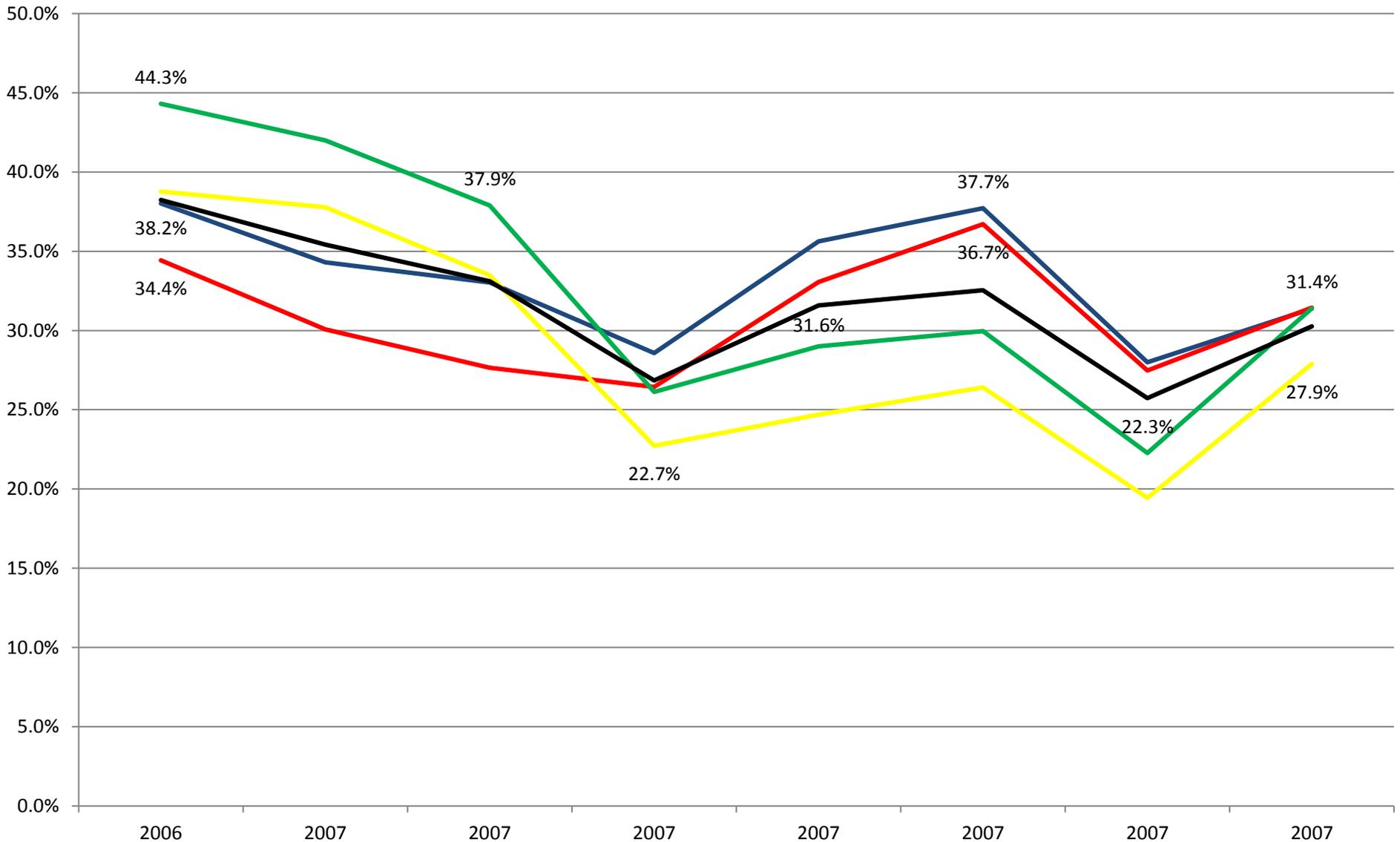
10.00 Rural, Above Median Owner-Occupancy, Above Median Sales Price

State Of Maryland

Average Tract Percent Purchase Loans - Urban Tracts



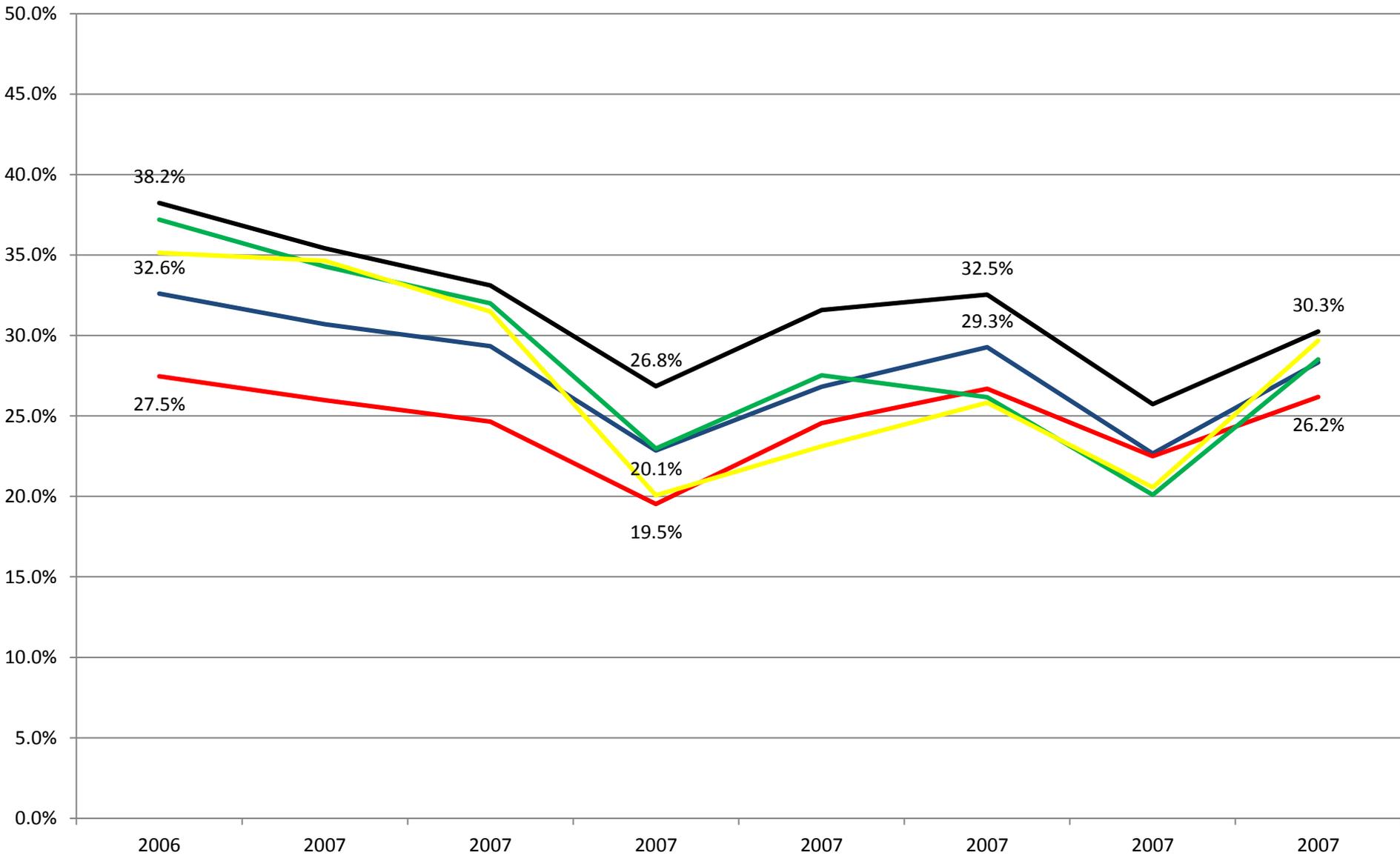
Average Tract Percent Purchase Loans - Suburban Tracts



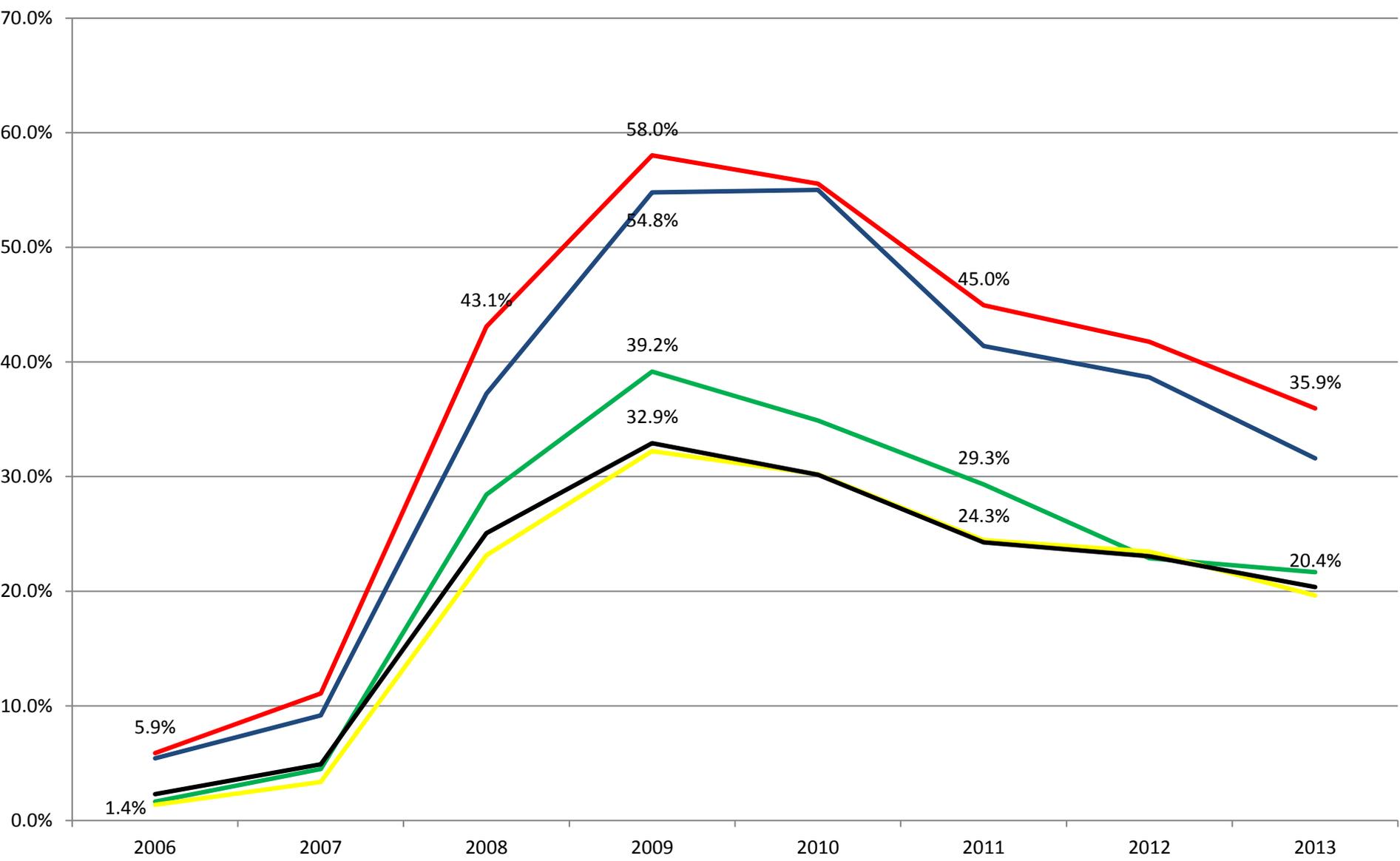
48

— 2.00 Suburban, Low Ownocc, Low Value
 — 5.00 Suburban, High Ownocc, Low Value
 — 8.00 Suburban, Low Ownocc, High Value
— 11.00 Suburban, High Ownocc, High Value
 — State of Maryland

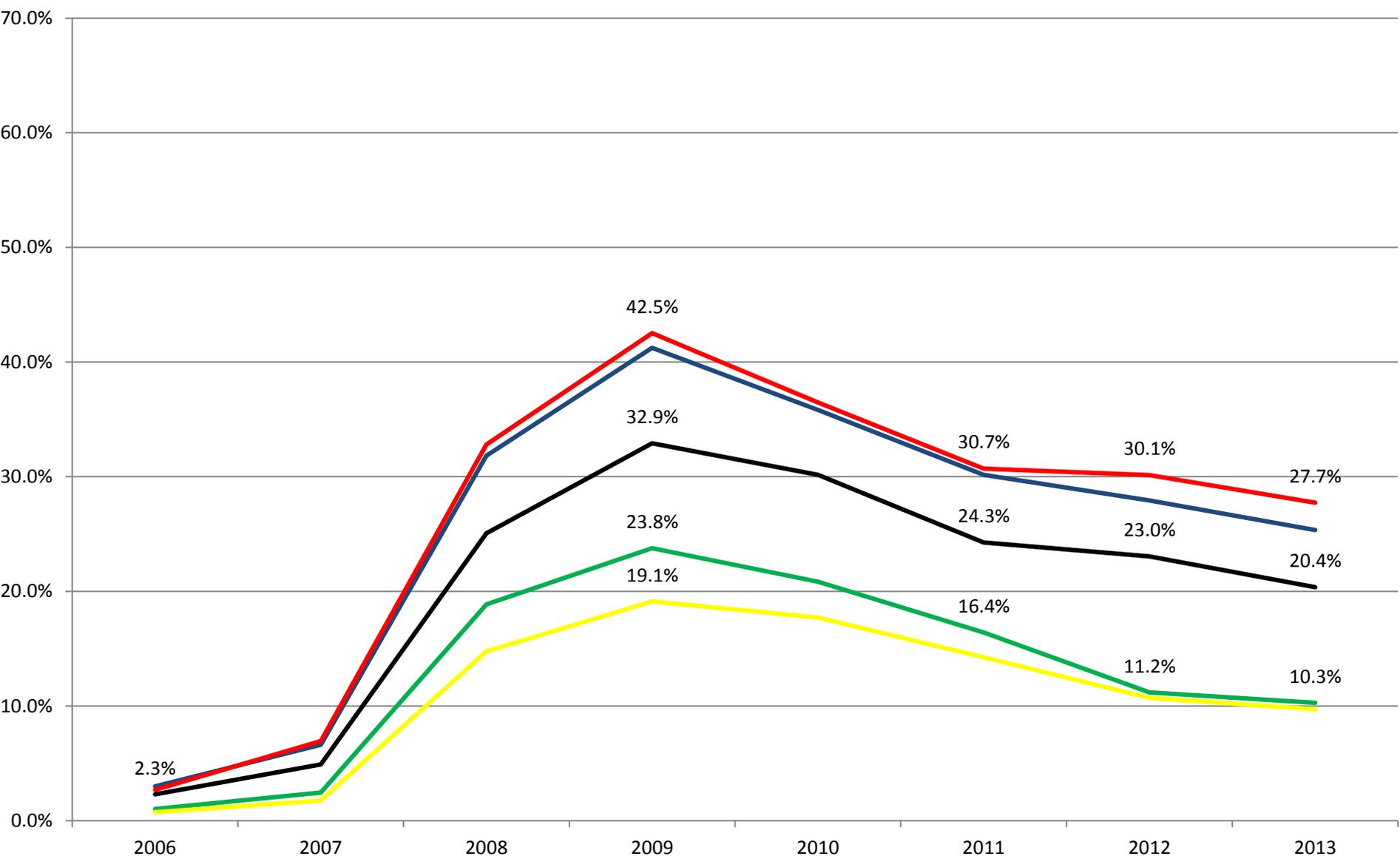
Average Tract Percent Purchase Loans - Rural Tracts



Average Tract Percent FHA Loans - Urban Tracts



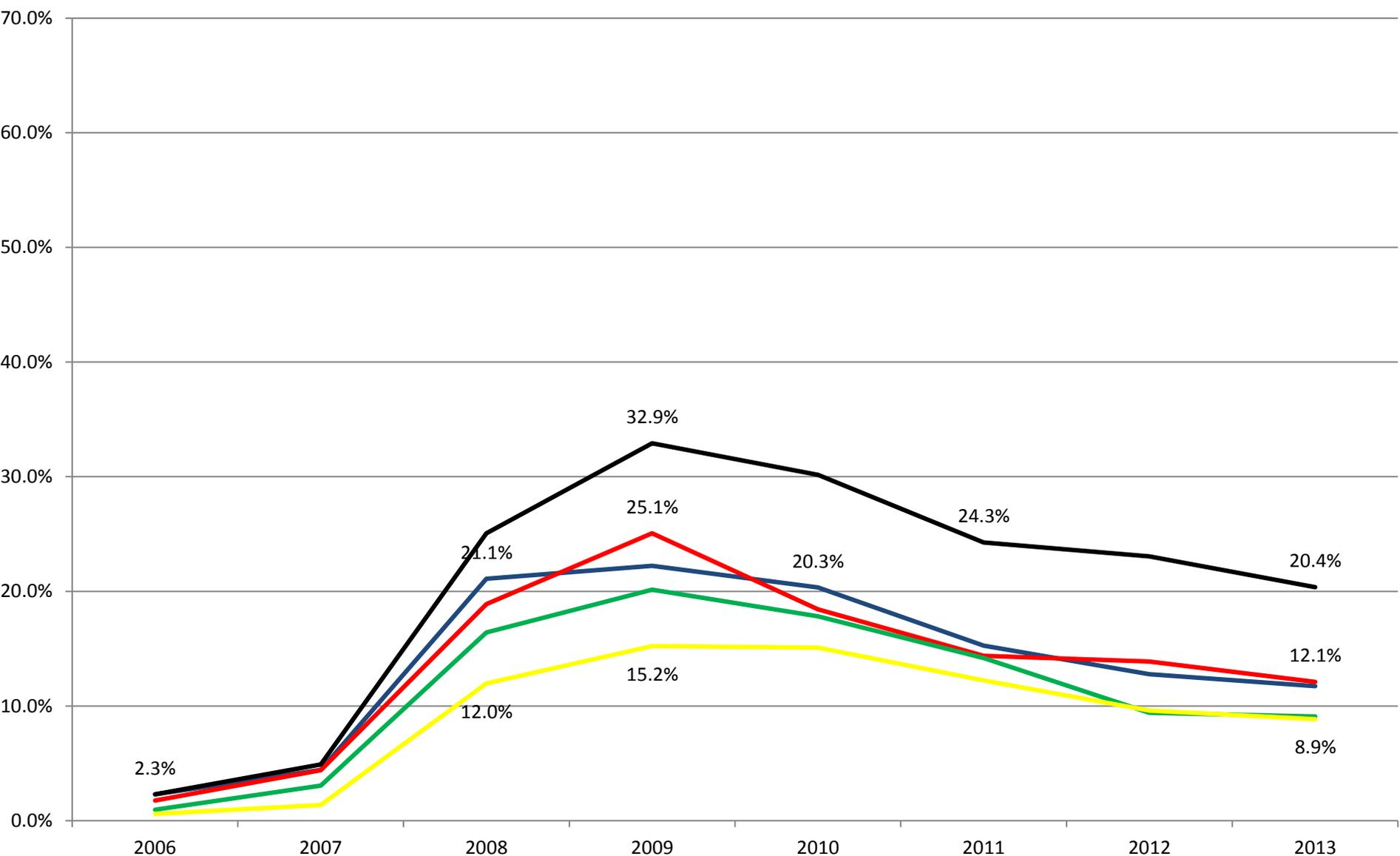
Average Tract Percent FHA Loans - Suburban Tracts



51

— 2.00 Suburban, Low Ownocc, Low Value
 — 5.00 Suburban, High Ownocc, Low Value
 — 8.00 Suburban, Low Ownocc, High Value
— 11.00 Suburban, High Ownocc, High Value
 — State of Maryland

Average Tract Percent FHA Loans - Rural Tracts



“Middle-Priced Markets”

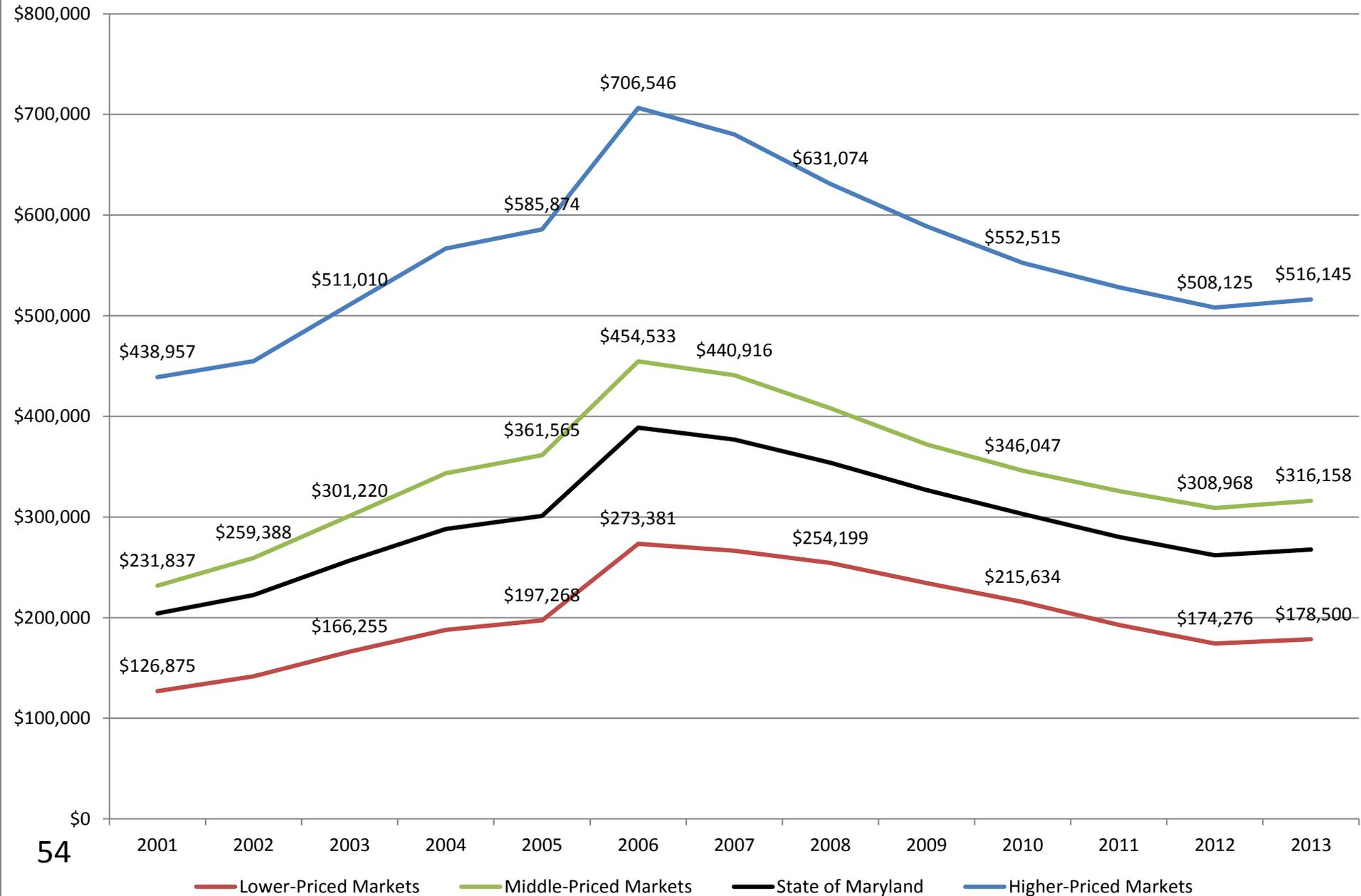
Approach: Middle-Priced Markets are defined as Census tracts with 2000/2001 home prices that are between approximately 80% and 120% of three times statewide median family income in 2000.

Low Markets = \leq \$150,000

Middle Markets = \$150,000 through \$210,000

High Markets = \geq \$210,000

Average Tract Median Sales Price (2013 Dollars)



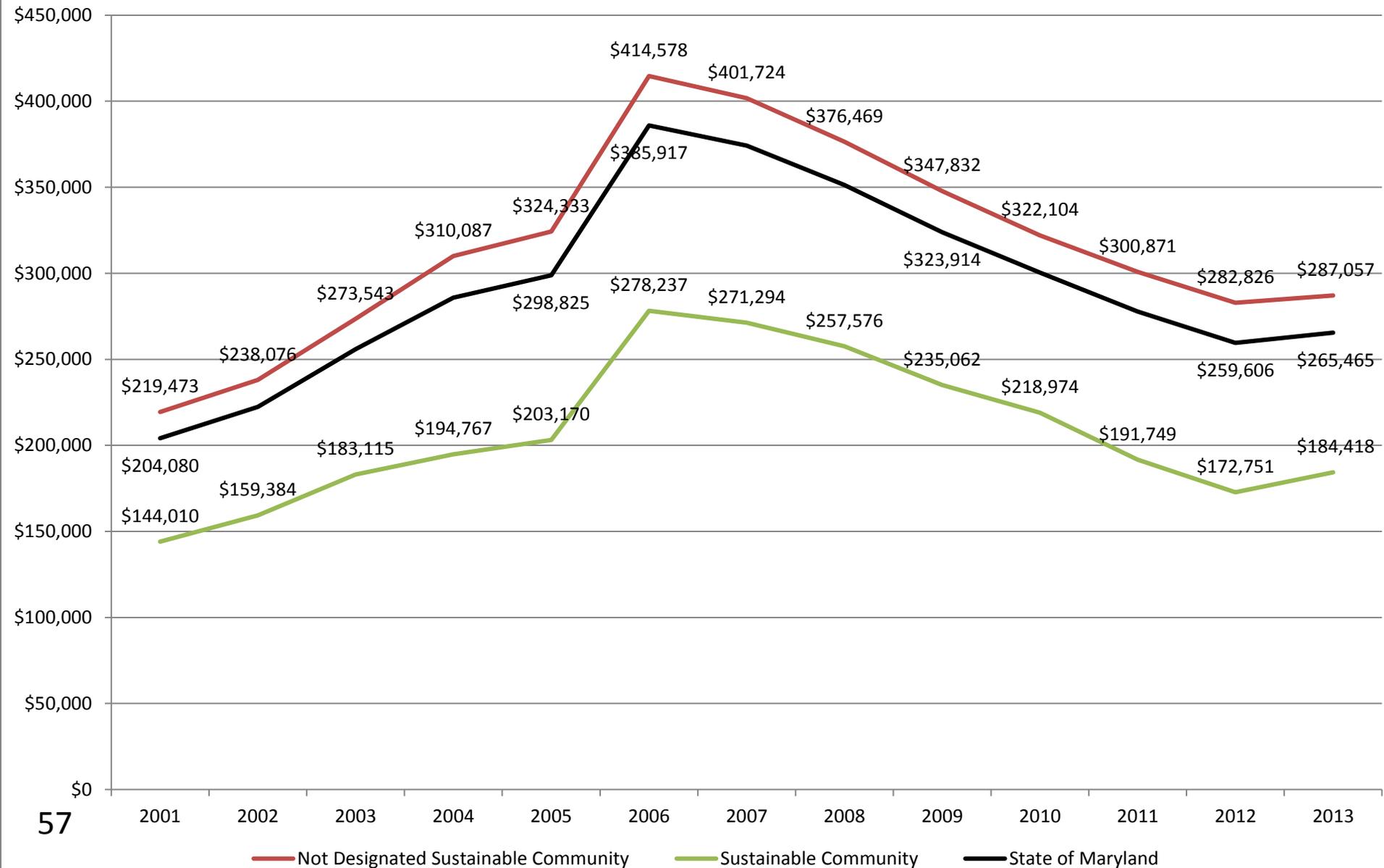
Owner Occupancy and Middle Markets

	Percent Owner Occupied, 2000	Percent Owner Occupied, 2010	Percentage Point Difference
Lower-Priced Markets	63.2%	61.6%	-1.6%
Middle-Priced Markets	76.0%	75.5%	-0.5%
Higher-Priced Markets	81.7%	81.2%	-0.5%
State of Maryland	69.3%	68.1%	-1.1%

Sustainable Communities

The designation of areas deemed “sustainable communities” is based on the Sustainable Communities Act of 2010. Local governments submit to DHCD nominations for places they would like designated. DHCD and other state agencies review all applications.

Median Sales Price (2013 Dollars) - Sustainable Communities Designation



Owner Occupancy and Sustainable Communities

	Percent Owner Occupied, 2000	Percent Owner Occupied, 2010	Percentage Point Difference
Not Designated Sustainable Community	73.2%	72.2%	-0.9%
Sustainable Community	50.8%	48.9%	-2.0%
State of Maryland	68.4%	67.3%	-1.2%

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